



UNITED STATES BANKRUPTCY COURT for the Northern District of Texas		PROOF OF CLAIM
Name of Debtor: COLUMBUS CAMPUS, LLC		Case Number: 09-37019
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		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
Name and address where notices should be sent: c/o Jack R. Pigman Porter Wright Morris & Arthur LLP 41 South High Street Suites 2800-3200 Columbus, OH 43215-6194 614-227-2119 Telephone number: _____		
Name and address where payment should be sent (if different from above): <div style="text-align: center;"> RECEIVED FEB 24 2010 BMC GROUP </div> Telephone number: _____		<input type="checkbox"/> 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. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
1. Amount of Claim as of Date Case Filed: \$ <u>\$13,540,805.76 plus unliquidated amounts</u> 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. <input checked="" type="checkbox"/> 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. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> 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). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5). <input type="checkbox"/> 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). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)(). Amount entitled to priority: \$ _____
2. Basis for Claim: See Attachment _____ (See instruction #2 on reverse side.) 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.) 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: <input checked="" type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other Describe: Value of Property: \$ <u>Unknown</u> Annual Interest Rate: <u> </u> % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ <u>\$13,540,805.76</u> Basis for perfection: <u>See Attachment</u> <u>plus unliquidated amounts</u> Amount of Secured Claim: \$ <u>Unknown</u> Amount Unsecured: \$ <u>Unknown</u>		
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:		*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 address above. Attach copy of power of attorney, if any. Scott Childs, Vice President		FOR COURT USE ONLY Erickson Ret. Comm. LLC  01034

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	Case No. 09-37010 (SGJ)
	§	
ERICKSON RETIREMENT	§	Chapter 11
COMMUNITIES, LLC, <i>et al.</i>	§	
	§	(Jointly Administered)
Debtors.	§	

ATTACHMENT TO KEYBANK NATIONAL ASSOCIATION'S PROOF OF CLAIM

1. KEYBANK NATIONAL ASSOCIATION ("KeyBank") submits this attachment in support of its separate claims against Columbus Campus, LLC ("Campus") and Erickson Retirement Communities, LLC ("Erickson").

2. On or about April 16, 2008, Campus entered into a Construction Loan Agreement (the "Loan Agreement") with KeyBank and various other lenders (collectively, "Lenders"), (Exhibit 1 attached hereto), whereby Campus applied to Lenders for a revolving loan and letter of credit facility in the aggregate principal amount of \$90,000,000.00.

3. Pursuant to the Loan Agreement, on or about April 16, 2008, Campus executed and delivered to KeyBank a Revolving Loan Note (the "KeyBank Revolving Note") in the original principal amount of \$20,000,000. (Exhibit 2 attached hereto). Campus similarly executed Revolving Loan Notes in favor of each of the other Lenders (together with the KeyBank Revolving Note, the "Revolving Notes").

4. On or about October 14, 2008, Campus executed and delivered to KeyBank a certain ISDA Master Agreement, which has been supplemented by a Schedule dated as of October 14, 2008, and a Swap Confirmation dated October 15, 2008 (as supplemented, the "Swap Agreement"). (Exhibit 3 attached hereto).

5. To secure the payment of its obligations owing under the Loan Agreement and related documents, including those evidenced by the Revolving Notes and the Swap Agreement, Campus executed an Open-End Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing (hereinafter the "Mortgage"), pledging as collateral its interest in (a) the property described therein, commonly known as "Hickory Chase" located at 4383 Davidson Road, Hilliard, Franklin County, Ohio , and (b) all personal property located at Hickory Chase (collectively, the "Collateral"). The Mortgage was recorded on April 22, 2008 with the Recorder of Franklin County, Ohio as Instrument Number 200804220061335 (Exhibit 4 attached hereto). Financing statements perfecting Lenders' security interest in the real property were filed with the Maryland Department of Assessments and Taxes on March 27, 2008 as financing statement number 181337670, and with the Franklin County Recorder on April 14, 2008 as financing statement number 200804140056782 (Exhibit 5 attached hereto).

6. In consideration of the extensions of credit under the Loan Agreement and related documents, on or about April 16, 2008, Erickson executed and delivered to Lenders a Guaranty Agreement (hereinafter the "Guaranty") (Exhibit 6 attached hereto). The Guaranty provides that, among other things, Erickson unconditionally guarantees when due, the prompt and full payment of all of Campus' obligations owing under the Loan Agreement and related documents, including those evidenced by the Revolving Notes and the Swap Agreement.

7. Prior to July 20, 2009, Campus had defaulted on each of the Revolving Notes. Campus' default on the Revolving Notes constituted a default under the Swap Agreement, as a result of which KeyBank exercised its right to terminate the Swap Agreement.

8. As of October 19, 2009, Campus and Erickson owed KeyBank under the Loan Agreement, KeyBank Revolving Note and related documents \$11,797,530.86 in principal,

\$472,072.37 in accrued interest, \$8,883.86 in an unused commitment fee, for a total of \$12,278,487.08. Under the Swap Agreement, Campus and Erickson owe KeyBank pre-petition interest of \$417,466.68 and a Termination Fee of \$844,852.00. Accordingly, KeyBank's liquidated claim against Campus and Erickson totals \$13,540,805.76. In addition to these liquidated amounts, Campus and Erickson owe KeyBank (a) an unliquidated amount arising from Campus' and Erickson's obligations to reimburse the Lenders for costs and legal fees associated with enforcing their rights ("Enforcement Costs") under the Loan Agreement, KeyBank Revolving Note and related documents, and (b) costs and expenses incurred by KeyBank for security, utilities, weatherproofing, and taxes relating to the protection of the Collateral (collectively, "Protective Advances"). Lenders reserve their right to assert administrative expense claims under 11 U.S.C. § 503(b) for all Protective Advances incurred postpetition.

9. To the extent KeyBank's claim against Campus is over secured, KeyBank's claim shall continue to accrue fees and interest post-petition and KeyBank reserves the right to make a claim for all such fees and interest until the KeyBank claim is paid in full. To the extent KeyBank's claim against Campus is undersecured, KeyBank hereby asserts an unsecured claim under § 506(a)(1) of the Bankruptcy Code for any unsecured portion of the amounts claimed herein. KeyBank's claim against Erickson is an unsecured claim.

10. The filing of this proof of claim is not intended and should not be construed as (a) a statement of all claims or facts supporting the claims of KeyBank, (b) an election of remedies, (c) a waiver of any past, present, or future default or events of default, or (d) a waiver or limitation of any rights, claims or causes of action of KeyBank.

11. KeyBank does not waive, and expressly reserves, all rights, claims and remedies at law or in equity that KeyBank, or the Lenders, whether individually or collectively, have or may have against the Debtors and/or any of the Debtors' affiliates and subsidiaries, or any other person or entity.

12. This proof of claim is not subject to any set-off or counterclaim. KeyBank reserves all rights to set-off and recoupment which it may have.

13. KeyBank also reserves the right to amend or supplement this claim in any respect, in any manner and for any purpose. Furthermore, KeyBank reserves the right to amend or supplement this claim after the last date set for filing claims in this proceeding and/or contest the valuation of the Debtors' collateral securing this claim.

14. In submitting this claim, KeyBank does not submit to the jurisdiction of this Court for any purpose other than with respect to its claims.

EXHIBIT 1

CONSTRUCTION LOAN AGREEMENT

dated April 16, 2008

by and among

**COLUMBUS CAMPUS, LLC,
a Maryland limited liability company,
as Borrower**

and

**KEYBANK NATIONAL ASSOCIATION,
a national banking association,
as Lead Arranger and Administrative Agent**

and

**FIFTH THIRD BANK,
an Ohio state-chartered bank,
as Syndication Agent**

and

**The Other Lenders Described Herein,
as Lenders**

CONSTRUCTION LOAN AGREEMENT

THIS CONSTRUCTION LOAN AGREEMENT (this "Agreement") is made and entered into as of the 16th day of April, 2008, by and between (i) COLUMBUS CAMPUS, LLC, a Maryland limited liability company qualified to do business in Ohio (the "Borrower"); (ii) the financial institutions that are or may from time to time become parties hereto and are described on Schedule X (together with KeyBank (as hereinafter defined) and Fifth Third Bank (hereinafter defined) and their respective successors and assigns, collectively, the "Lenders", and each individually a "Lender"); (iii) KEYBANK NATIONAL ASSOCIATION, as Lead Arranger and Administrative Agent for the Lenders ("Administrative Agent") and in its individual capacity ("KeyBank"); and (iv) FIFTH THIRD BANK, an Ohio state-chartered bank ("Fifth Third Bank") as Syndication Agent.

RECITALS

A. The Borrower has applied to the Lenders for a revolving loan and letter of credit facility in the aggregate principal amount at any one time outstanding not to exceed Ninety Million and 00/100 Dollars (\$90,000,000.00) (the "Loan") to be used on a revolving basis for the following purposes: (a) for advances to the Borrower for the construction of a continuing care retirement community containing approximately 1,529 independent living units, 132 assisted living units and 84 skilled nursing units on the Land (hereinafter defined), such community to be known as "Hickory Chase"; (b) for the issuance of letters of credit in connection with the development of Hickory Chase; (c) for advances to the Borrower, the proceeds of which are to be reloaned to the lessee of Hickory Chase to meet such lessee's general working capital needs; (d) for payment of interest due with respect to the Loan; (e) for payment of certain Development Distributions (hereinafter defined) on the terms provided for herein; and (f) to the extent the Infrastructure Improvements (hereinafter defined) have not been completed in accordance with the construction schedule reviewed and approved by the Administrative Agent, (1) for advances to the Authority or the Trustee (each as hereinafter defined) for redemption of the Infrastructure Improvement Bonds (hereinafter defined) or (2) for advances to the Authority or to any contractor or subcontractor working on or providing materials or labor in connection with the Infrastructure Improvements (hereinafter defined), to pay for any costs required to complete construction of the Infrastructure Improvements.

B. The land and improvements comprising Hickory Chase have been leased by the Borrower to Hickory Chase, Inc., a Maryland nonstock corporation (the "Tenant") pursuant to a Master Lease and Use Agreement dated of approximately even date herewith. The Tenant has entered into a Management and Marketing Agreement dated of approximately even date herewith with Erickson Retirement Communities, LLC, a Maryland limited liability company (the "Manager"), pursuant to which the Manager will provide management services to the Tenant.

C. The Borrower also has entered into certain documents in connection with (i) the Mezzanine Financing (hereinafter defined) and (ii) the issuance by the Authority of the Infrastructure Improvement Bonds (hereinafter defined), the proceeds of which shall be used for the construction of certain Infrastructure Improvements (hereinafter defined). Pursuant to the

terms of the Infrastructure Improvement Bond Documents (hereinafter defined), the Borrower has agreed to make service payments in lieu of taxes and to pay community development charges in amounts necessary to pay debt service on the Infrastructure Improvement Bonds.

D. The Lenders have agreed to make the Loan on the terms and conditions set forth in this Agreement and the other Loan Documents (hereinafter defined).

AGREEMENTS

NOW, THEREFORE, in consideration of the premises and for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower, the Lenders and the Administrative Agent agree as follows:

ARTICLE I

TERMS AND DEFINITIONS

In addition to the other terms herein defined, the following terms shall have the meaning set forth in this Article I whenever used in this Agreement:

1.1. Administrative Agent: KeyBank National Association in its capacity as Administrative Agent for the Lenders hereunder, including but not limited to KeyBank, itself, and any successor administrative agent arising under Section 11.20.

1.2. Affiliates: With respect to any Person, (a) each Person that controls, is controlled by or is under common control with such Person, (b) each Person that, directly or indirectly, owns or controls, whether beneficially or as a trustee, guardian or other fiduciary, any of the ownership interests of such Person, and (c) each of such Person's officers, directors, members, joint venturers and partners.

1.3. Applicants: Those persons who have applied to become Residents of Hickory Chase by submitting Applications.

1.4. Applications: The applications signed by persons who wish to become Residents of Hickory Chase.

1.5. Architect's Agreement: Collectively, any and all agreements between the Borrower and Dorsky Hodgson Parrish Yue and/or any other architect or architectural services firm (individually and collectively the "Architect") providing for architectural services in connection with the Project.

1.6. Assignment and Assumption: An Assignment and Assumption Agreement in the form of Schedule XIV attached hereto and made a part hereof.

1.7. Authority: Hickory Chase Community Authority, a governmental entity formed pursuant to Chapter 349 of the Ohio Revised Code and Resolution No. 663-07 adopted by the Board of County Commissioners of Franklin County, Ohio on July 31, 2007.

1.8. Bank Accounts: Collectively, the Borrower Collateral Account, the Lockbox Account and the Borrower Operating Account.

1.9. Borrower Collateral Account: The "Borrower Collateral Account" so defined and described in the Security Agreement.

1.10. Borrower Operating Account: The bank account of the Borrower with the Administrative Agent into which all amounts receivable by the Borrower from and out of the Lockbox Account shall be deposited.

1.11. Borrower's Organizational Documents: The Articles of Organization dated July 27, 2005 and filed with the Maryland State Department of Assessments and Taxation on July 28, 2005, and the Operating Agreement of the Borrower executed as of July 28, 2005, as amended by a First Amendment to Operating Agreement dated as of June 26, 2006, and including only those amendments, assignments, extensions, restatements, additions, supplements, and substitutions therefor which are hereafter approved by Administrative Agent in writing.

1.12. Business Day: Any day on which KeyBank is open for business of the nature required by this Agreement.

1.13. Certificate of Occupancy: With respect to each Unit, a certificate of occupancy permitting occupancy of a Unit by one or more Residents.

1.14. City: The City of Hilliard, Ohio.

1.15. Closing Date: The date on which all of the Loan Documents are signed by all parties and delivered for all legal purposes.

1.16. Collateral Assignment of Project Documents: That certain Collateral Assignment of Project Documents of even date herewith executed by the Borrower in favor of the Administrative Agent pursuant to which the Borrower has assigned to the Administrative Agent as collateral for its Obligations under the Loan Documents all right, title and interest of the Borrower in, to and under all contracts relating to the Project.

1.17. Committed Loan Amount: Eighty Million and 00/100 Dollars (\$80,000,000.00).

1.18. Commitment: The maximum amount each Lender has agreed to lend to Borrower as part of the Loan (which amounts are set forth on Schedule X attached hereto), subject to modification by each Assignment and Assumption, which shall be reduced by the exercise of any call rights as described in Article XII of this Agreement.

1.19. Community Documents: Any and all documents and agreements by and between or among any of the Borrower, the Guarantor, the Tenant, the Manager and the Residents relating to the construction, leasing, occupancy and/or operation of Hickory Chase, including, but not limited to, the Residence and Care Agreements, the Lease, the Management Agreement, the Community Loan Documents and the Working Capital Loan Documents.

1.20. Community Loan Documents: The Community Loan Agreement dated of approximately even date herewith between the Tenant, as "Lender," and the Borrower, as "Borrower," together with all "Loan Documents" referred to therein.

1.21. Completion Agreements: All agreements to complete executed by the Architect, the Engineer, the Contractor, any other contractor or subcontractor, architect, engineer or other professional or service organization agreeing to complete work on the Project for the account of the Lenders as and when requested by the Administrative Agent.

1.22. Completion Date: The date by which Substantial Completion of a particular Construction Phase of the Project (including submission of all documents described in Section 5.1 of this Agreement) must occur, which shall be ninety (90) days after the date shown on Schedule I for each of Construction Phases CB1.0, RB1.1, RB1.2, RB1.3, RB1.4 and RB1.5, of the Project, and six (6) months after the date shown on Schedule I for each of the remaining Construction Phases of the Project, unless the Administrative Agent consents in writing to an extension of any such date.

1.23. Construction Contract: Any agreement between the Borrower, as owner, and the Contractor, as contractor, providing for construction services in connection with the Project.

1.24. Construction Phase: A construction phase of the Project, as such phases are described on Schedule I attached hereto.

1.25. Continuing Care Units: Collectively, all of the units available for occupancy at Hickory Chase, including all independent living units, assisted living units and nursing units.

1.26. Contractor: Collectively, Erickson Construction, LLC, a Maryland limited liability company, and any and all other general contractors performing work on the Project.

1.27. Corporate Revolver: The Guarantor's existing \$250,000,000 corporate revolving credit facility with PNC Bank (and others) closed on or about July 27, 2007.

1.28. Curative Rights Agreement: The Curative Rights Agreement of even date herewith between the Administrative Agent, as agent for the Lenders and the Tenant pursuant to which the Tenant has granted the Administrative Agent the right to cure any default of the Borrower under the Community Loan Documents, the Working Capital Loan Documents or the Lease.

1.29. Default: The occurrence of any event or state of facts which, with notice or the passage of time, or both, would constitute (unless cured to the extent cure is permitted hereunder) an Event of Default.

1.30. Defaulting Lender: "Defaulting Lender" shall have the meaning ascribed to such term in Section 11.5(b) hereof.

1.31. Default Rate: A rate per annum equal to three percentage points (300 basis points) in excess of the Applicable Rate, but not at any time in excess of the highest rate permitted by law.

1.32. Deposit Schedule: The Deposit Schedule and Move-in Check List attached hereto as Schedule II.

1.33. Developer: Erickson Retirement Communities, LLC, a Maryland limited liability company, which is the Guarantor and has also been retained as the initial Manager of Hickory Chase.

1.34. Development Agreement: That certain Development Agreement dated of approximately even date herewith by and between the Borrower and the Developer relating to the development of Hickory Chase, including only those amendments, assignments, extensions, restatements, additions, supplements and substitutions therefor which are hereafter approved by the Administrative Agent in writing.

1.35. Development Distributions: The amounts described in Section 8.10(a) hereof as development distributions or development fees.

1.36. Eligible Assignee: (i) Any Lender; (ii) any Affiliate of any Lender, and (iii) any other Person (other than a natural Person) approved by (A) the Administrative Agent, (B) each issuer of a Letter of Credit pursuant to the terms of Section 2.7 hereof (but only in the case of any assignment with respect to the Loan), and (C) unless an Event of Default has occurred and is continuing, an authorized representative of the Borrower (but only in the case of any assignment with respect to the Loan), each such approval not to be unreasonably withheld or delayed; provided, however, that notwithstanding the foregoing, "Eligible Assignee" shall not include the Borrower or any Affiliate of the Borrower.

1.37. Engineer's Agreement: Collectively, any and all agreements between the Borrower, as owner, Evans, Mechwart, Hambleton & Tilton, Inc., as engineer for the Project, and J.M. Olson Corporation, as site work contractor for the Project, and/or any other landscape architect, engineer or engineering services firm (individually and collectively, the "Engineer") providing for landscape architecture and/or engineering services in connection with the Project.

1.38. Entrance Deposits: The "Entrance Deposits" defined in and payable under the Residence and Care Agreements, including the Priority List Deposit, the Reservation Deposits, the Signing Deposit and the Final Deposit and all other deposits described on the Deposit Schedule and Move-in Check List attached hereto as Schedule II.

1.39. Environmental Reports: Those reports described on Schedule III attached hereto.

1.40. Environmental Requirements: Any federal, state or local law, statute, ordinance or regulation, or any court or administrative order or decree, or any private agreement, or any other requirement legally binding on the Borrower or the Property which requires special handling, collection, storage, treatment, disposal or removal of any materials located in, on or about the Property based on concerns about public health, safety and/or the environment, including all such requirements more particularly described in the Mortgage.

1.41. Erickson: John C. Erickson, a resident of Palm Beach County, Florida whose business address is 701 Maiden Choice Lane, Baltimore, Maryland 21228.

1.42. ERISA: The Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder from time to time.

1.43. Escrow Account: The "Escrow Account" as the term is defined in the Escrow Agreement.

1.44. Escrow Agent: The Escrow Agent named as such in, and acting pursuant to, the Escrow Agreement, which at the time of execution of this Agreement is LaSalle Bank National Association, a national banking association.

1.45. Escrow Agreement: The Hickory Chase, Inc. Escrow Agreement entered into by and among the Tenant, Erickson Retirement Communities, LLC and the Escrow Agent, as the same may be further amended from time to time with approval of the Administrative Agent.

1.46. Event of Default: Any one or more of the events described in Section 9.1 hereof.

1.47. Federal Funds Effective Rate: Shall mean, for any day, the rate per annum (rounded upward to the nearest one-hundredth of one percent (1/100 of 1%)) announced by the Federal Reserve Bank of Cleveland on such day as being the weighted average of the rates on overnight federal funds transactions arranged by federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the "Federal Funds Effective Rate."

1.48. Final Deposit: The final portion of the Entrance Deposit due at settlement on a Unit by a Resident.

1.49. First Construction Phase: The initial Construction Phase of the Project, designated as Construction Phase 1 on Schedule I attached hereto.

1.50. First Residential Construction Phase: The initial Residential Construction Phase of the Project, which is Construction Phase RB1.1 shown on Schedule I attached hereto.

1.51. Full Entrance Deposit: The full amount of the Entrance Deposit for a Unit, which shall be (i) in the case of an independent living Unit, at least in the amount designated for each independent living Unit on Exhibit C to the Development Agreement, and (ii) in the case of an assisted living and nursing Unit, at least the pro-rata amount of the Entrance Deposit for each assisted living and nursing Unit set forth in the Phase Forecast on Exhibit C to the Development Agreement.

1.52. Grantors: The Borrower and the Manager, as grantors of security interests to the Administrative Agent in certain of their assets (as more particularly described in Section 2.8 hereof).

1.53. Guaranty: The Guaranty Agreement of even date herewith pursuant to which the Guarantor has guaranteed payment of the Loan and performance of the Borrower's Obligations in connection with the Loan.

1.54. Guarantor: Erickson Retirement Communities, LLC, which has guaranteed to the Lenders payment of the Loan and performance of the Borrower's Obligations in connection with the Loan under the Guaranty.

1.55. HC Operating Account: The "Operating Account" as that term is defined in the Lockbox Account Agreement.

1.56. Hedge Agreement: Any (a) interest rate swap agreement, interest rate cap agreement, interest rate floor agreement, interest rate collar agreement, interest rate option or any other agreement regarding the hedging of interest rate risk exposure executed in connection with hedging the interest rate exposure of any Person and any confirming letter executed pursuant to such agreement and (b) a foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or any other agreement regarding the hedging of fluctuations of currency values and any confirming letter executed pursuant to such agreement. all as amended, restated, supplemented or otherwise modified from time to time.

1.57. Hickory Chase: The continuing care retirement community to be constructed on the Land by the Borrower, and to be leased to the Tenant and managed by the Manager, containing approximately one thousand five hundred twenty-nine (1,529) independent living units, one hundred thirty-two (132) assisted living units and eighty-four (84) skilled nursing units.

1.58. Infrastructure Improvement Bonds: The \$24,580,000 Hickory Chase Community Authority Infrastructure Improvement Revenue Bonds, Series 2008 (Hickory Chase Project).

1.59. Infrastructure Improvement Bond Documents: Collectively, (i) the documents listed on Schedule XVIII attached hereto and (ii) any and all other documents, instruments, agreements, consents and certificates entered into by or among the Borrower, the Authority, the City, the Trustee and/or any other party in connection with the Infrastructure Improvement Financing.

1.60. Infrastructure Improvement Financing: The financing of the Infrastructure Improvements with the proceeds of the Infrastructure Improvement Bonds.

1.61. Infrastructure Improvements: The "Infrastructure Improvements" as generally described in Article XIII of this Agreement and as more particularly defined in that certain Developer's Agreement dated on or about April 16, 2008, between the Authority and the City.

1.62. Initial Entrance Deposits: The first Full Entrance Deposits received from the initial Residents occupying each of the Units, including all amounts paid under any promissory note accepted from a Resident at the time of settlement on his or her Unit, but not including any Entrance Deposits received from subsequent Residents of such Units.

1.63. Interest Payment Date: The periodic dates on which payments of accrued interest on all advances from time to time outstanding under the Loan shall be due and payable, as set forth in the Notes, being the first (1st) day of each calendar month during the term of the Loan.

1.64. Interest Rate: The annual rate of interest payable from time to time on the Loan as stated in the Notes.

1.65. Land: The real property on which Hickory Chase is to be located, consisting of approximately 83 acres of land at 4383 Davidson Road, Hilliard, Franklin County, Ohio 43026, as more particularly described in the Mortgage.

1.66. Lease: The Master Lease and Use Agreement dated of approximately even date herewith between the Borrower and the Tenant, including only those amendments, assignments, extensions, restatements, additions, supplements and substitutions therefor which are hereafter approved by the Administrative Agent in writing.

1.67. Lender's Consultant: An independent consulting architect, inspector, and/or engineer designated by Administrative Agent in the Administrative Agent's sole discretion.

1.68. Letters of Credit: Any and all letters of credit issued by KeyBank on behalf of the Lenders for the account of the Borrower in connection with the Project, including the letters of credit issued on the Closing Date shown on Schedule IV attached hereto.

1.69. Liquid Assets: Cash and readily marketable securities (including both equity and debt instruments).

1.70. Loan: The revolving loan and letter of credit facility from the Lenders to the Borrower in the maximum amount of Ninety Million and 00/100 Dollars (\$90,000,000.00).

1.71. Loan Documents: Collectively, this Agreement, the Notes, the Mortgage, the Assignment of Project Documents, the Guaranty, the Completion Agreements, the Security Agreement, the Pledge Agreement, the Subordination Agreements, the Curative Rights Agreement, and any and all certificates, opinions, assignments and other documents executed in connection therewith, and all other documents including documents executed or delivered by Borrower, Grantors, Guarantor, Manager, Tenant, Developer, Erickson and/or his spouse, Architect, Engineer, Contractor, Escrow Agent and/or any of the parties which prepared the Environmental Reports, upon which the Lenders have relied in making the Loan, each as amended and/or restated on the date hereof, where applicable, and together with any and all subsequent amendments, assignments, extensions, restatements, additions, supplements and substitutions therefor.

1.72. Lockbox Account: The lockbox account described in the Lockbox Account Agreement and into which all Resident Fees (as defined in the Lockbox Account Agreement) are to be paid by the Residents of Hickory Chase.

1.73. Lockbox Account Agreement: The Lockbox Account Agreement dated of approximately even date herewith by and between the Tenant, as assignor, and the Borrower, as secured party.

1.74. Management Agreement: The Management and Marketing Agreement dated of approximately even date herewith between the Tenant and the Manager, including only those

amendments, assignments, extensions, restatements, additions, supplements and substitutes therefor which are hereafter approved by the Administrative Agent in writing.

1.75. Manager: The manager of Hickory Chase, which as of the date of this Agreement is Erickson Retirement Communities, LLC (which is also the Guarantor and the Developer).

1.76. Maturity Date: March 1, 2015, or such later date as the Lenders and the Administrative Agent designate in their sole discretion, in writing, in accordance with the terms of Section 11.6(b) of this Agreement, as the maturity date of the Loan, subject, however, to acceleration of the Loan or demand for mandatory prepayment of the Loan on the terms provided in the Notes and in Article XII hereof.

1.77. Maximum Loan Amount: Ninety Million and 00/100 Dollars (\$90,000,000.00).

1.78. Mezzanine Financing: That certain financing from Windsor OH Holdings, LLC to the Borrower in the maximum amount of Twenty One Million Three Hundred Fifty Thousand and 00/100 Dollars (\$21,350,000.00), evidenced by that certain Promissory Note of even date herewith and that certain Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing of even date herewith.

1.79. Monthly Fees: All fees and charges paid by Residents of Hickory Chase, whether on a monthly or other basis, except for Entrance Deposits.

1.80. Mortgage: That certain Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing of even date herewith executed by the Borrower in favor of Administrative Agent on behalf of the Lenders covering the Property and recorded among the land records of Franklin County, Ohio.

1.81. New Office Building Financing: A secured loan in the amount not to exceed \$45,000,000 for construction of a new office building for the Guarantor in the UMBC Tech Park, and with respect to which the Administrative Agent has determined that such debt is not being used to subsidize an Affiliate of the Guarantor.

1.82. Notes: Collectively, (i) those certain Revolving Loan Notes of even date herewith evidencing the Committed Loan Amount and those certain Revolving Loan Notes executed after the date hereof for portions of the Loan syndicated hereafter, from the Borrower to the Lenders evidencing the Loan, the aggregate principal amount of which at any time outstanding is not to exceed \$90,000,000.00, and (ii) any revolving loan note or notes which are split from, given in exchange for but not in payment of, and constitute substitutions or replacements of, such Revolving Loan Notes.

1.83. Notice of Borrowing: An irrevocable written notice from the Borrower to the Administrative Agent issued from time to time in which the Borrower designates the amount of a proposed borrowing of Loan proceeds.

1.84. Notice of Interest Payment from Other Proceeds: An irrevocable written notice from the Borrower to the Administrative Agent, issued from time to time, in which the Borrower

designates to the Administrative Agent that the Borrower will pay all interest due on an Interest Payment Date with funds other than Loan proceeds.

1.85. Obligations: All obligations owing to any of the Lenders in connection with the Loan, the Letter of Credit Obligations, any Hedge Agreements to which any of the Lenders is a party with the Borrower, and all other obligations of any kind owing to the Lenders under the Loan Documents.

1.86. OFAC: Office of Foreign Asset Control of the Department of the Treasury of the United States of America.

1.87. OFAC Review Process: That certain review process established by Administrative Agent to determine if any potential transferee of any interests or any assignee of any portion of the Loan or any of their members, officers or partners are a party with whom Agent and any Lender are restricted from doing business under (i) the regulations of OFAC, including those Persons named on OFAC's Specially Designated and Blocked Persons list, or (ii) any other statute, executive order or other governmental action or list (including the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism.

1.88. Patriot Act Customer Identification Process: That certain customer identification and review process established by the Administrative Agent pursuant to the requirements of 31 U.S.C. §5318(1) and 31 C.F.R. §103.121 to verify the identity of all permitted transferees of interests in the Borrower and any assignees of a portion of the Loan hereunder.

1.89. Percentage: With respect to each Lender, the percentage that its Commitment constitutes of the maximum amount of the Loan.

1.90. Permitted Encumbrances: The term "Permitted Encumbrances" shall have the meaning set forth in the Mortgage.

1.91. Person: An individual, a corporation, a limited liability company, a partnership, an association, a joint stock company, a trust, an unincorporated organization, a governmental body or a political subdivision, a municipal corporation, a public corporation or any other group or organization of individuals.

1.92. Plans and Specifications: Any and all plans and specifications for the Project.

1.93. Pledge Agreement: The Membership Interest Pledge Agreement of even date herewith pursuant to which the member of the Borrower has pledged its membership interests in the Borrower to the Administrative Agent as collateral for the Loan.

1.94. Pre-Development Soft Costs: Soft costs paid in connection with the development of the Project prior to the Closing Date.

1.95. Priority List Deposit: Collectively, the deposit of not less than \$1,000 and the \$150 per person processing fee shown on the Deposit Schedule under the heading "Priority List".

1.96. Project: The construction of the Project Improvements in accordance with the Plans and Specifications. The Project will consist of various Construction Phases, as described on Schedule I attached hereto.

1.97. Project Improvements: All of the buildings and improvements to be built on the Land pursuant to the Plans and Specifications, including all grading, utility connections, sidewalks, driveways, landscaping, parking areas, roads and streets, common facilities, erosion and sediment control improvements, and all property real, personal or mixed, used or required for the completion of those improvements and their operation as a continuing care retirement community.

1.98. Property: The term "Property" shall have the meaning set forth in the Mortgage.

1.99. Required Lenders: Lenders holding Percentages aggregating at least sixty six and two-thirds percent (66 2/3%).

1.100. Reservation Deposits: Collectively, the respective deposits of not less than \$2,000 shown as the (i) 90 Day Deposit and (ii) 180 Day Deposit on the Deposit Schedule.

1.101. Residence and Care Agreements: The Residence and Care Agreements to be entered into by and between the Tenant and each Resident of Hickory Chase, all of which shall be in the form approved by the Administrative Agent.

1.102. Resident: A resident of Hickory Chase pursuant to the terms of a Residence and Care Agreement.

1.103. Residential Construction Phase: Those Construction Phases of the Project shown on Schedule I attached hereto and designated as Construction Phases RB1.1, RB1.2, RB1.3, RB1.4, RB1.5, RB1.6, RB1.7, RB2.1, RB2.2, RB2.3, RB2.4, RB2.5 and RB 2.6, each of which is a residential building.

1.104. Security Agreement: The Security Agreement, Pledge and Collateral Assignment of Licenses and Residence and Care Agreements of even date herewith executed by the Borrower and the Manager in favor of the Lenders pursuant to which the Borrower and the Manager have pledged to the Administrative Agent, as collateral for the Loan, certain of their assets (as more particularly described in Section 2.8 hereof), including all of their rights under the Lease, the Community Loan Documents, the Management Agreement and the Working Capital Loan Documents.

1.105. Senior Management: Any officer of the Guarantor holding the position of Executive Vice President or above.

1.106. Signing Deposits: That portion of the Entrance Deposit due at the time of signing of the Residence and Care Agreement by a Resident, equal to ten percent (10%) of the Entrance Deposit for a Unit.

1.107. Single Purpose Entity: Any independently formed special purpose legal entity which complies with the covenants set forth in Section 8.33 of this Agreement.

1.108. Subordinated Documents: Collectively, the "Subordinated Documents" described in each of the Subordination Agreements.

1.109. Subordination Agreements: Collectively, the (a) Subordination Agreement by and among the Administrative Agent, the Borrower, the Guarantor and Erickson and his spouse; (b) Subordination Agreement by and among the Administrative Agent, the Borrower, the Guarantor and the Contractor; (c) Subordination Agreement by and among the Administrative Agent, the Borrower, the Guarantor and the Tenant; and (d) Tenant Subordination Agreement by and between the Tenant and the Administrative Agent, each of even date herewith.

1.110. Substantial Completion: As applied to a Construction Phase, the date when (except for minor items which can be fully completed without material interference with the use of the Construction Phase or the Project Improvements constructed in such Construction Phase) all work required by the Plans and Specifications, the Construction Contract and all related construction documents for such Construction Phase has been fully and finally completed and a Certificate of Occupancy for each Unit constructed in such Construction Phase has been issued.

1.111. Tenant: Hickory Chase, Inc., a Maryland nonstock corporation, as well as any successor tenant of the Property.

1.112. Tenant Futures List: The list of prospective Residents of Hickory Chase who have not yet committed to a particular Unit or to the next available Unit of a particular type and are accordingly not listed on the Tenant Reserve List or the Tenant Standby List.

1.113. Tenant Reserve List: The list of prospective Residents of Hickory Chase maintained by the Tenant showing Applicants who have committed to a particular Unit and have paid the Priority List Deposit and the Reservation Deposits required by the Tenant.

1.114. Tenant Standby List: The list of prospective Residents of Hickory Chase maintained by the Tenant showing Applicants who have committed to the next available Unit of a particular type and have paid the Priority List Deposit required by the Tenant.

1.115. Title Company: Chicago Title Insurance Company.

1.116. Transfer: Any sale, transfer, lease (other than a Lease approved by Lender), conveyance, alienation, pledge, assignment, mortgage, encumbrance hypothecation or other disposition of (a) all or any portion of the Project or any portion of any other security for the Loan, (b) all or any portion of the Borrower's right, title and interest (legal or equitable) in and to the Project or any portion of any other security for the Loan, or (c) any interest in Borrower or any majority or controlling interest in any entity which directly or indirectly holds an interest in, or directly or indirectly controls, Borrower.

1.117. Trust Account: The "Trust Account" as the term is defined in the Trust Agreement.

1.118. Trust Agreement: The Trust Agreement for Initial Entrance Deposits at Hickory Chase of even date herewith among Tenant, Borrower and KeyBank.

1.119. Trustee: Wells Fargo Bank, National Association, as trustee under the Trust Agreement dated as of April 1, 2008 between the Authority and the Trustee relating to the Infrastructure Improvement Financing.

1.120. Unit: A Continuing Care Unit.

1.121. Working Capital Advances: Advances of proceeds of the Loan which are to be reloaned by the Borrower to the Tenant under the Working Capital Loan Documents.

1.122. Working Capital Loan Documents: The Working Capital Loan Agreement dated of approximately even date herewith between the Tenant, as borrower, the Borrower, as lender, together with all "Loan Documents" referred to therein.

1.123. Zeigler Securities: The \$5,000,000 Minimum, \$50,000,000 Maximum Erickson Retirement Communities, LLC Subordinated Taxable Adjustable Mezzanine Put SecuritiesSM (STAMPSSM) Series 2007.

ARTICLE II

THE LOAN

2.1. Loan Advances:

(a) Commitment. Subject to the terms of Section 2.1(f) of this Agreement and subject to the Borrower's satisfaction of the requirements and conditions set forth in this Agreement, the Lenders collectively, but severally, agree to make Loan advances under the Notes to the Borrower from time to time from the date hereof until the Maturity Date, in an aggregate principal amount outstanding at any one time (including Letters of Credit issued and Working Capital Advances made at the request of the Borrower in connection with the Project) for all of the Lenders not to exceed the Committed Loan Amount, and for each respective Lender, not to exceed its Commitment. Neither the Administrative Agent nor any of the Lenders shall be responsible for the Commitment of any other Lender. The Lenders acknowledge that the Loan is a revolving credit facility and the Borrower has the right to repay any or all Loan advances made under the Loan Documents, and subject to the terms and conditions of the Loan Documents, to borrow against previously repaid amounts. Loan proceeds shall be advanced (or reserved) for the following purposes:

- (i) for the construction of the Project Improvements;
- (ii) for the issuance of Letters of Credit in connection with the Project;
- (iii) for Working Capital Advances to the Borrower, the proceeds of which are to be reloaned to the Tenant under the Working Capital Loan Documents to meet the Tenant's general working capital needs for the Project, all of which advances shall be subject to the approval of the Administrative Agent in its sole discretion;

(iv) for payment of interest due to the Lenders with respect to the Loan and for payment of amounts due under Hedge Agreements with the Lenders related to the Loan (if any);

(v) for payment of Development Distributions on the terms provided for herein; and

(vi) to the extent the Infrastructure Improvements have not been completed in accordance with the construction schedule reviewed and approved by the Administrative Agent, (A) for advances to the Authority or the Trustee for redemption of the Infrastructure Improvement Bonds or (B) for advances to the Authority or to any contractor or subcontractor working on or providing materials or labor in connection with the Infrastructure Improvements, to pay for any costs required to complete construction of the Infrastructure Improvements, which amounts shall be considered Loan proceeds and shall be guaranteed by the Guaranty and secured by the Mortgage and the other Loan Documents.

Anything in the Loan Documents to the contrary notwithstanding:

(1) at no time shall the Lenders be required to make any advance of the Loan which would increase the amount of all outstanding Working Capital Advances above Forty-Four Million Seventy-Two Thousand Six Hundred Ninety-Eight Dollars (\$44,072,698) or the amount of all issued and outstanding Letters of Credit above Five Million Dollars (\$5,000,000);

(2) no Loan advances shall be made for the Pre-Development Soft Costs without the Administrative Agent's consent;

(3) all Working Capital Advances shall at all times be subject to approval of the Administrative Agent, in its sole discretion;

(4) as provided in Section 2.7 of this Agreement, the amount of each Letter of Credit shall be deemed an advance of the Loan, which shall reduce the remaining amounts available to be drawn by the Borrower, but which shall not bear interest until a draw is made under such Letter of Credit;

(5) no Loan advances shall be made for any costs associated with any development of Hickory Chase not included in the Construction Phases described on Schedule I attached hereto, without the Administrative Agent's prior written consent;

(6) the portion of all advances relating to overhead expenses of the Borrower and/or any of its Affiliates (including the Guarantor and the Contractor) shall at all times be subject to approval of the Administrative Agent, in its reasonable discretion;

(7) no Loan advances shall be made for repayment of principal and/or interest in connection with the Mezzanine Financing;

(8) no Loan advances shall be made for any costs of construction of the skilled nursing portion of the Project until the Borrower has delivered to the

Administrative Agent evidence acceptable to the Administrative Agent that the Borrower has obtained a certificate of need from the Director of the Ohio Department of Health and has entered into an agreement to acquire the rights to operate the nursing home beds comprising the skilled nursing portion of the Project; and

(9) all Loan advances for redemption of the Infrastructure Improvement Bonds or for costs associated with completion of the Infrastructure Improvements, each as permitted by Section 2.1(a)(vi), shall at all times be subject to approval of the Administrative Agent, in its sole discretion.

(b) Borrowing Procedure. The Borrower shall give the Administrative Agent a Notice of Borrowing at least seven (7) Business Days' prior to a requested Loan advance, setting forth the amount of any proposed borrowing hereunder, except for draws to pay interest on the Loan, which shall be advanced automatically by the Lenders unless the Borrower gives the Administrative Agent a Notice of Interest Payment from Other Proceeds at least two (2) Business Days' prior to an Interest Payment Date and actually makes each such payment on the identified Interest Payment Date. If the Administrative Agent determines that the Notice of Borrowing is in sufficient detail and properly documented in accordance with the terms of the Loan Documents, including all required inspection reports, project status reports and completion budgets, and that the Borrower is entitled to a Loan advance, the Administrative Agent will promptly notify each Lender and each Lender will make the amount of its Percentage of each Loan advance available to the Administrative Agent for the account of the Borrower, each in accordance with the provisions of Section 11.4 of this Agreement.

(c) Interest. Accrued interest on the aggregate amount of advances outstanding under the Loan (including all advances for interest) shall be paid (either directly by the Borrower or by advance of the Loan as provided in paragraph (b) above) on each Interest Payment Date and on the Maturity Date at the Interest Rate.

(d) Repayment of Principal. The entire principal amount outstanding under the Loan (including all advances for interest), unless sooner accelerated or paid, shall be due and payable on the Maturity Date.

(e) Accounts and Records. Each disbursement made by each Lender shall be evidenced by one or more loan accounts or records maintained by the Administrative Agent at its office in the ordinary course of business, which accounts and records shall be available to each Lender and its representatives for inspection and copying at such Lender's expense at all reasonable times during normal business hours. The loan account records maintained by the Administrative Agent shall be conclusive, absent manifest error, of the amount of the Loan disbursements made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in so doing shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Loan. The original Loan Documents shall be held by the Administrative Agent for the ratable benefit and protection of the Lenders, subject to the terms and conditions of this Agreement.

(f) INCREASE IN COMMITMENTS; ACCORDION PROVISIONS. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY,

BORROWER, ADMINISTRATIVE AGENT AND THE LENDERS HEREBY ACKNOWLEDGE AND AGREE THAT AT SUCH TIME AS THE ADMINISTRATIVE AGENT HAS ENTERED INTO AN ASSIGNMENT AND ASSUMPTION WITH ONE OR MORE ADDITIONAL LENDERS FOR ALL OR ANY REMAINING PORTION OF THE LOAN DESCRIBED AS "TO BE SYNDICATED" ON SCHEDULE X ATTACHED HERETO, THE COMMITTED LOAN AMOUNT SHALL AUTOMATICALLY INCREASE BY SUCH REMAINING PORTION OF THE LOAN SYNDICATED TO SUCH ADDITIONAL LENDER OR LENDERS; PROVIDED, HOWEVER, THAT AT NO TIME SHALL THE COMMITTED LOAN AMOUNT EXCEED THE MAXIMUM LOAN AMOUNT. UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE, EACH REFERENCE HEREIN AND IN THE OTHER LOAN DOCUMENTS TO THE LOAN AMOUNT SHALL MEAN THE COMMITTED LOAN AMOUNT, AS THE SAME MAY BE INCREASED FROM TIME TO TIME UP TO THE MAXIMUM LOAN AMOUNT PURSUANT TO THE TERMS OF THIS SECTION 2.1(F). THE BORROWER, ADMINISTRATIVE AGENT AND THE LENDERS HEREBY FURTHER ACKNOWLEDGE AND AGREE THAT THE ADMINISTRATIVE AGENT MAY TAKE ANY AND ALL ACTIONS AS MAY BE NECESSARY TO ENSURE THAT AFTER GIVING EFFECT TO ANY INCREASE IN THE COMMITTED LOAN AMOUNT PURSUANT TO THIS SECTION 2.1(F), THE OUTSTANDING AMOUNTS ADVANCED HEREUNDER (IF ANY) ARE HELD BY THE LENDERS WITH COMMITMENTS IN ACCORDANCE WITH THEIR PERCENTAGES. THIS MAY BE ACCOMPLISHED AT THE DISCRETION OF THE ADMINISTRATIVE AGENT: (1) BY REQUIRING ANY AMOUNTS OUTSTANDING HEREUNDER TO BE PREPAID WITH THE PROCEEDS OF AMOUNTS ADVANCED HEREUNDER, (2) BY PERMITTING AMOUNTS ADVANCED HEREUNDER AT THE TIME OF SUCH INCREASE IN THE COMMITTED LOAN AMOUNT TO REMAIN OUTSTANDING UNTIL THE LAST DAYS OF THE RESPECTIVE INTEREST PERIOD FOR SUCH AMOUNTS, EVEN THOUGH THE LENDERS WOULD HOLD SUCH AMOUNTS OTHER THAN IN ACCORDANCE WITH THEIR PERCENTAGES; OR (3) BY ANY COMBINATION OF THE FOREGOING.

2.2. Due Date Extension: If any payment of principal of, or interest on, the Loan falls due on a Saturday, Sunday or other day which is not a Business Day, then such due date shall be extended to the next following Business Day, and additional interest shall accrue and be payable for the period of such extension.

2.3. Making of Payments: All payments (including prepayments) of principal of, or interest on, the Loan, shall be made in U.S. Dollars and in immediately available funds at the principal office of the Administrative Agent in Cleveland, Ohio, on the dates set forth in the Notes, and shall be accompanied by a complete accounting and reconciliation with respect to all Entrance Deposits received, Units settled and other information the Administrative Agent may request, all in form and content acceptable to the Administrative Agent. All such payments shall be made without any setoff or counterclaim, and free and clear of any restrictions or conditions, and free and clear of and without deduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature now or hereafter imposed by any governmental or other authority. If the Borrower, the Administrative Agent or any Lender is compelled by law to make any such deductions or withholdings, the Borrower will

pay such additional amounts as may be necessary in order that the net amounts received by the Administrative Agent and the Lenders after such deductions or withholdings shall equal the amount the Administrative Agent and the Lenders would have received had no such deductions or withholdings been required to be made, and the Borrower will provide the Administrative Agent with evidence satisfactory to the Administrative Agent that it has paid such deductions or withholdings.

2.4. Prepayments: The Loan may be prepaid in whole or in part at any time without premium or penalty.

2.5. Use of Loan Proceeds: The Borrower covenants and agrees that all advances received by the Borrower under the Loan shall be used solely for purposes described in Section 2.1(a) of this Agreement or, with the Administrative Agent's permission, for paying such other costs and expenses as may be approved by the Administrative Agent.

2.6. Fees: On the Closing Date, the Borrower shall pay an origination fee (the "Origination Fee") in an amount equal to three-quarters of one percent (3/4%) of the Maximum Loan Amount. On the Closing Date and quarterly thereafter, the Borrower shall pay an unused commitment fee (the "Unused Commitment Fee") equal to twenty-five basis points times the unadvanced portion of the Committed Loan Amount. Upon execution of this Agreement by all parties, each Lender will be entitled to its Percentage of the Origination Fee and the Unused Commitment Fee paid to date. Thereafter, upon payment by the Borrower, each Lender will be entitled to its Percentage of the quarterly Unused Commitment Fee. Except as provided in this Section 2.6, or in any other express provision of the Loan Documents, the Lenders shall not be entitled to any fees, costs, expenses, reimbursements, out-of-pocket charges or other amounts of any kind in connection with the Loan. Without limiting the foregoing sentence, the fees set forth in that certain Fee Letter dated of even date herewith between KeyBank and the Borrower shall be retained by KeyBank and shall not be shared with the other Lenders.

2.7. Letters of Credit:

(a) Application. Provided no Event of Default has occurred hereunder, the Borrower may apply to KeyBank from time to time for the issuance of Letters of Credit in connection with the Project. All applications for Letters of Credit shall be accompanied by such fully executed standard form agreements, including indemnification agreements, as KeyBank, in accordance with its then existing current practices relating to the issuance of letters of credit, may require (together with the respective Letters of Credit, the "Letters of Credit Documents"). Each Letter of Credit shall expire no later than thirty (30) days prior to the Maturity Date of the Loan. Under no circumstance shall the face amount of all issued and outstanding Letters of Credit at any point in time exceed Five Million Dollars (\$5,000,000) without the prior written consent of the Administrative Agent.

(b) Letter of Credit Obligations. (i) The Borrower promises to pay to the Administrative Agent and the Lenders the following amounts which are herein called the "Letter of Credit Obligations": (A) the amount of each draft drawn under or purporting to be drawn under a Letter of Credit on the Maturity Date of the Loan, (B) the amount of any and all charges, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses)

which the Administrative Agent and the Lenders may charge, pay or incur for the issuance of or drawings under a Letter of Credit, transfers of a Letter of Credit, amendments to and extensions of a Letter of Credit and for the prosecution or defense of any action arising out of or in connection with any Letter of Credit, including, without limitation, any action to enjoin full or partial payment of any draw which is drawn under or purports to be drawn under any Letter of Credit, within fifteen (15) days following invoice by the Administrative Agent to the Borrower therefor, and (C) interest payable monthly on all amounts payable under subsections (A) and (B) above, including interest payable on the issuance of any Letters of Credit pursuant to subsection (g) below, from the date incurred until paid in full at a per annum rate of interest equal at all times to the applicable rate in effect from time to time under the Notes. The Administrative Agent may maintain on its books a letter of credit account (the "Letter of Credit Account") with respect to the Letter of Credit Obligations paid and payable from time to time hereunder. All statements of the Letter of Credit Account rendered by the Administrative Agent to the Borrower shall be presumed to be correct and accurate and shall constitute an account statement binding on the Borrower unless, within thirty (30) days after receipt thereof by the Borrower, the Borrower shall deliver to the Administrative Agent written objection thereto specifying the error or errors, if any, contained in any such statement; provided, however, that the Administrative Agent shall have the right at any time to correct any such statement and deliver such corrected statement to the Borrower.

(c) Letter of Credit Obligations Absolute. The obligation of the Borrower to pay Letter of Credit Obligations set forth in paragraph (b) above shall be absolute and unconditional and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, (ii) the existence of any claim, set-off, defense or other right which the Borrower may at any time have against the beneficiary under any Letter of Credit or against KeyBank, the Administrative Agent or any other Lenders, (iii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue provided that payment by the Lenders under such Letter of Credit against presentation of such draft shall not have constituted gross negligence or willful misconduct by the Administrative Agent or Lenders, and (iv) any other events or circumstances whatsoever, whether or not similar to any of the foregoing, provided that such other events or circumstances shall not have constituted gross negligence or willful misconduct of the Administrative Agent or the Lenders.

(d) Authority to Make Advances Under Loan. The Lenders, in the exercise of their sole discretion from time to time, shall be entitled, without notice or demand to the Borrower at any time and without the need for further approval of the Borrower, to make advances under the Loan to cover and/or secure all or any part of the Letter of Credit Obligations, and unless otherwise agreed by the Administrative Agent in writing, each draw under a Letter of Credit shall be and constitute an advance under the Loan, and shall be evidenced by and shall bear interest in accordance with the provisions of the Notes. Notwithstanding the foregoing, amounts available to be advanced under the Loan shall be reduced by the amount of all issued and outstanding Letters of Credit whether or not any draws have been made under such Letters of Credit.

(e) Increased Costs, Etc. If any agency or instrumentality of the United States of America or any state, county, municipality or other subdivision thereof require insurance

premiums on, or reserves against, any or all Letters of Credit or otherwise promulgate and/or adopt any rules, regulations, orders, statutes, interpretive rulings or laws or otherwise take any regulatory action which may effectively increase the cost to KeyBank of issuing, renewing, amending and/or maintaining Letters of Credit or honoring or denying any drafts and/or acceptances drawn or purported to be drawn thereunder, or the cost to any of the other Lenders of funding any obligation under or in connection with any Letter of Credit then (i) upon demand of the Administrative Agent, the Borrower shall pay to the Administrative Agent all amounts which are necessary to compensate the Administrative Agent, KeyBank and the other Lenders for such increased costs incurred by them, and (ii) KeyBank may elect, in its sole discretion, as the issuing Lender, not to issue any additional Letters of Credit hereunder. All statements setting forth such increased costs shall be presumed to be correct and accurate and shall constitute an account statement binding on the Borrower unless, within thirty (30) days after receipt thereof by the Borrower, the Borrower shall deliver to the Administrative Agent written objection thereto specifying the error or errors, if any, contained in any such statement; provided, however, that the Administrative Agent shall have the right at any time to correct any such statement and deliver such corrected statement to the Borrower.

(f) Guaranty. The Guarantor shall guarantee all Letter of Credit Obligations as part of its obligations under the Guaranty (subject to the terms thereof), and unless otherwise specified in the Loan Documents, the term "Loan" shall include all Letter of Credit Obligations.

(g) Obligations of Other Lenders concerning Letters of Credit.

(i) If KeyBank issues any Letters of Credit pursuant to this Section 2.7, the issuance of such Letters of Credit shall be treated as draws under the Loan and the Borrower shall pay interest on the face amount of such Letters of Credit at the applicable interest rate set forth in the Notes. Thereafter, if KeyBank makes one or more payments on any Letters of Credit and Borrower does not immediately repay or cause to be repaid the amount of such payment, each Lender, other than KeyBank, shall, within one (1) Business Day of notice from Administrative Agent, pay to the Administrative Agent, solely, for the account of KeyBank, in immediately available funds, the amount of such Lender's Percentage of such payment. The occurrence of an Event of Default under the Loan Documents or a payment on a Letter of Credit issued by KeyBank shall not relieve any other Lender of its obligations to advance to the Administrative Agent (for reimbursement to KeyBank) such Lender's Percentage of any payment under a Letter of Credit. If a Lender does not pay the Administrative Agent, solely its Percentage of the amount of such payment within three (3) Business Days of notice from Administrative Agent, such Lender agrees to pay to the Administrative Agent, solely for the account of KeyBank, forthwith on demand such amount together with a late charge of \$2,500.00. Once such amount is so made available, such payment to the Administrative Agent shall constitute such Lender's Percentage of such payment for all purposes of this Agreement. The failure of any Lender to make available to the Administrative Agent, solely for the benefit of KeyBank, such Lender's Percentage of any Letter of Credit payments pursuant to this subsection shall not relieve any other Lender of its obligations hereunder to make available to the Administrative Agent, solely for the benefit of KeyBank, its respective Percentage of the payments but no Lender shall be responsible for the failure of any other Lender to make available to the Administrative Agent, solely for the benefit of KeyBank, its Percentage of the Letter of Credit payment on the date such payment is to be made.

(ii) Whenever the Administrative Agent receives a payment on account of any of the Letters of Credit, whether at the Maturity Date or otherwise, including any interest thereon, as to which KeyBank previously received reimbursement from the other Lenders, the Administrative Agent shall promptly pay each Lender which has funded its interest in the draws, in immediately available funds, in an amount equal to such Lender's Percentage thereof.

(iii) The obligation of each Lender to reimburse KeyBank in connection with any payment under a Letter of Credit shall be absolute, unconditional and irrevocable, not subject to any counterclaims, setoffs, qualifications or exceptions whatsoever other than for KeyBank's gross negligence or willful misconduct and shall be made in accordance with the terms and conditions of this Agreement under all circumstances and irrespective of whether Borrower may assert or have any claim of lack of validity or unenforceability of this Agreement or any of the other Loan Documents; the existence of any Event of Default; any of the Letters of Credit Documents having been determined to be forged, fraudulent, invalid or insufficient in any respect or any statement thereof being unsure and inaccurate in any respect; or the existence of any setoff or defense Borrower or any other obligor, including but not limited to the Guarantor, may have with respect to the Loan or Letter of Credit Obligations. In addition, if any amount paid to KeyBank in connection with the Letter of Credit Obligations is rescinded or required to be restored or turned over by KeyBank or the Administrative Agent upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or upon or as a result of the appointment of a receiver, intervener, trustee, conservator or similar officer for the Borrower, or is otherwise not indefeasibly covered by an advance under the Loan, Administrative Agent shall promptly notify each of the Lenders and shall demand payment from each of them of their Percentage to be remitted to the Borrower.

(iv) Neither KeyBank, the Administrative Agent nor any of their officers, directors, employees or agents shall be liable to any other Lenders for any action taken or omitted to be taken under or in connection with any of the Letters of Credit or Letters of Credit Documents except as a result of gross negligence or willful misconduct on such party's part. Neither KeyBank nor the Administrative Agent assumes any responsibility for any failure or delay in performance or breach by the Borrower or any person of any of the Letter of Credit Obligations including but not limited to any obligations under the Letters of Credit Documents. Neither KeyBank nor the Administrative Agent makes any express or implied warranty, representation or guarantee to the other Lenders with respect to the Letters of Credit or Letters of Credit Documents. Neither KeyBank nor the Administrative Agent shall be responsible to any other Lender for any recitals, statements, information, or representations and warranties contained in, or for the execution, validity, genuineness, effectiveness or enforceability of any of the Letters of Credit or Letters of Credit Documents; the validity, genuineness, enforceability, collectibility, value or sufficiency of any collateral or the perfection of any lien therein; or the assets, liabilities, financial conditions, results of operation, business, creditworthiness, or legal status of the Borrower. In connection with the administration of and enforcement of rights and remedies under any of the Letters of Credit or Letters of Credit Documents, the Administrative Agent shall be entitled to act, and shall be fully protected in acting upon, any certification, notice or other communication in whatever form believed by it, in good faith, to be genuine and correct and to have been signed or made by a proper person. KeyBank and the Administrative Agent may consult with legal counsel, accountants and other experts to advise them concerning their

rights, powers and privileges under the Letters of Credit and Letters of Credit Documents and shall be entitled to act upon, and shall be fully protected in any action taken in good faith or reliance upon any advice given by such experts. KeyBank and the Administrative Agent may employ agents and attorneys-in-fact in connection with any matters relating to the Letters of Credit Documents and shall not be liable for the negligence, default or misconduct of any such agents or attorneys-in-fact selected with reasonable care. Neither KeyBank nor the Administrative Agent shall have any liability to any other Lender by reason of refraining to take any action under any of the Letters of Credit or Letters of Credit Documents without having first received written instructions from the Lenders whose aggregate Percentage of the Loan could provide any required consent pursuant to Section 11 hereof to take such action. KeyBank, and to the extent required, the Administrative Agent, will use the same degree of care and skill in administering all matters concerning any Letters of Credit as it exercises in the administration of similar letters of credit issued by it. KeyBank shall be solely responsible for examining the Letters of Credit Documents presented with any draw under any Letters of Credit in accordance with standards it applies to other letters of credit issued by it.

2.8. Collateral for Loan. The collateral for the Loan will consist of all assets of the Borrower, including all lien rights of the Borrower in and to assets of the Tenant and/or the Manager. The collateral for the Loan will also include direct liens in favor of the Administrative Agent as agent for Lenders, on all of the assets of the Manager related to Hickory Chase. The security interests and liens of each Lender in such assets shall rank equally in priority with the interest of each other Lender. All collateral for the Loan will also secure the Letter of Credit Obligations, any obligations owing to any of the Lenders under any Hedge Agreements and all other obligations owing under the Loan Documents on a parity basis.

ARTICLE III

CONDITIONS AND REQUIREMENTS FOR INITIAL LOAN ADVANCE FOR PROJECT

The obligation of the Lenders to make the initial advance of Loan proceeds for the Project is subject to the Borrower's satisfaction of the following requirements and conditions unless the same is either deferred by the Administrative Agent to a subsequent advance or waived by the Administrative Agent in writing:

3.1. Delivery of Documents Prior to Initial Advance for Project: The Administrative Agent shall have received the following documents, in form and substance satisfactory to it, and its counsel, at least seven (7) Business Days prior to the initial Loan advance relating to the Project:

(a) A mortgagee's title insurance policy issued by the Title Company for an aggregate amount not less than \$90,000,000.00 on the Property, containing such endorsements as the Administrative Agent required in its sole discretion, without exception as to survey except for "shortages in area," guaranteeing to the mortgagee a first lien on the good and marketable title thereto in fee simple, subject to no other liens and with only such other title exceptions as the Administrative Agent may have approved in writing;

- (b) A survey of the Land, with a metes and bounds description, certified to the Administrative Agent in a form acceptable to the Administrative Agent;
- (c) Evidence that Hickory Chase as proposed meets all zoning and subdivision requirements and all Environmental Requirements;
- (d) Certificates evidencing insurance coverage required under the Loan Documents, including all insurance coverages required to be maintained by the Contractor;
- (e) Evidence as to the availability of adequate sewer, water, electric, gas and other utilities to Hickory Chase;
- (f) Two sets of the final Plans and Specifications for the First Construction Phase of the Project as approved by the Administrative Agent and all appropriate governmental authorities, including evidence acceptable to the Administrative Agent that all Units to be used for assisted living purposes meet the physical plant standards for licensure of homes for the aged under Ohio law (whether or not such Units are so licensed);
- (g) A list of mechanics, laborers, subcontractors and materialmen performing work or supplying goods or materials in connection with the First Construction Phase of the Project in detail acceptable to the Administrative Agent, together with a copy of the Construction Contract relating to such Construction Phase and the Architect's Agreement, Engineer's Agreement, Contractor's Agreement and copies of all subcontracts requested by the Administrative Agent;
- (h) Cost breakdown of all costs for the First Construction Phase of the Project setting forth in such categories as reasonably required by the Administrative Agent, the utilization of all proceeds of the Loan, and any additional funds available or necessary for completion of such First Construction Phase;
- (i) All governmental approvals and certifications required under any of the Loan Documents;
- (j) Written confirmation from a Lender's Consultant that (i) Lender's Consultant has reviewed the Plans and Specifications for the First Construction Phase of the Project, (ii) the documents in which the Administrative Agent was granted a security interest by the Assignment of Project Documents satisfactorily provide for the construction and equipment of the Project Improvements for such Phase, (iii) the Plans and Specifications for such First Construction Phase have been reviewed and approved by all governmental authorities to which such Plans and Specifications are required to be submitted, and (iv) in the opinion of Lender's Consultant the Project Improvements for such First Construction Phase can be completed for an amount not greater than the lesser of (A) the maximum advances available under the Loan (taking into account the revolving nature of the Loan), together with any available funds of the Borrower (including anticipated loans to the Borrower under the Community Documents), or (B) the projected costs of such First Construction Phase provided by the Borrower to the Administrative Agent;

(k) Soil test report, together with a certification by Lender's Consultant, if requested by the Administrative Agent, that the results thereof have been incorporated within the Plans and Specifications;

(l) Fully executed copies of all public works agreements (if any) related to the Project, together with evidence of all security required therefor;

(m) If requested by the Administrative Agent, Completion Agreements in form acceptable to the Administrative Agent and executed by the Contractor, the Engineer and the Architect for the Project as well as any and all subcontractors specified by the Administrative Agent;

(n) The final site plan for the First Construction Phase of the Project, approved by all applicable governmental authorities;

(o) All grading, building and other permits required in connection with the First Construction Phase of the Project;

(p) A Phase I Environmental Assessment of the Land and evidence that all Environmental Requirements have been and are being complied with;

(q) An appraisal from an appraiser acceptable to the Administrative Agent;

(r) Copies of all leases covering all or any part of the Property;

(s) A sample Residence and Care Agreement in form and substance acceptable to the Administrative Agent;

(t) Copies of all organizational documents, resolutions, incumbency certificates and good standing certificates of the Borrower, the Guarantor and such related entities as the Administrative Agent or its counsel may reasonably require;

(u) Evidence satisfactory to the Administrative Agent as to the absence of any financing statements, suits, judgments or tax liens of public record in all applicable jurisdictions filed against the Borrower, the Guarantor and such related persons and entities as the Administrative Agent or its counsel may reasonably require;

(v) Copies of all Community Documents, and evidence of their approval by all regulatory authorities (to the extent required by applicable laws, rules and regulations);

(w) The Administrative Agent's receipt of CPA prepared financial statements for the most recent calendar year-end for the parties identified in Section 8.3(c) hereof;

(x) If required by the Administrative Agent, dual obligee form payment and performance bonds in form and content acceptable to Administrative Agent covering any subcontract for the Project from any entity which will provide materials or service for the Project having a value in excess of Five Hundred Thousand Dollars (\$500,000);

(y) A certificate in form attached hereto as Schedule V, outlining the cost projections and construction schedule with respect to the First Construction Phase of the Project, and certifying that all items set forth in this Section 3.1 have been provided by the Borrower to the Administrative Agent with respect to such Phase and that there have been no material changes in any such documents or information since the date the same was submitted to the Administrative Agent, which certificate must be countersigned by the Administrative Agent prior to processing the first draw with respect to such First Construction Phase;

(z) Evidence that all mortgages, financing statements and other recording documents executed in connection with the Loan have been properly recorded, or an agreement from the Title Company that its title insurance on the Land will take effect upon the initial disbursement of Loan proceeds and prior to such recordation; and

(aa) Copies of all documents, agreements, contracts and such other items as Administrative Agent may request in connection with the Infrastructure Improvement Financing, including, but not limited to, evidence satisfactory to Administrative Agent that the Authority has obtained all necessary easements and/or rights of way or otherwise has obtained access to the land on which the Infrastructure Improvements will be constructed sufficient to complete such construction.

3.2. Delivery of Loan Documents and Payment of Closing Costs: The Borrower, the Guarantor, the Tenant, the Contractor and Erickson (as appropriate) shall have executed and delivered to the Administrative Agent the respective Loan Documents and other documents to be executed, and all other documents and instruments reasonably required in connection with the Loan shall have been executed and delivered to the Administrative Agent, together with payment of all other fees and expenses, including the reasonable expense of the Administrative Agent's counsel, required in connection with the Loan.

3.3. Legal Opinions: The Administrative Agent shall have received from counsel for the Borrower, the Guarantor, the Tenant, the Contractor and Erickson legal opinions in form and substance satisfactory to Administrative Agent with respect to such matters incident to the Loan as the Administrative Agent may require.

3.4. Recordation: The Mortgage and the related UCC financing statements shall have been filed or recorded in the appropriate public records as may be necessary and appropriate to evidence and perfect the liens and security interests thereby created, or the Title Company shall have entered into an agreement with the Administrative Agent providing that its title insurance on the Land will take effect upon the initial disbursement of Loan proceeds and prior to such recordation.

3.5. Infrastructure Improvements; Escrow: The Administrative Agent shall have received evidence acceptable to the Administrative Agent in its sole discretion that (i) the Authority and/or the City has obtained all necessary legal rights from all parties in order to complete Phase I of the Infrastructure Improvements, as more particularly described in Article XIII hereof, and (ii) the Infrastructure Escrow has been fully funded by the Borrower.

3.6. Other Documents: The Administrative Agent shall have received such other documents as it may have reasonably requested in connection with the Loan and the Project.

ARTICLE IV

REQUIREMENTS AND CONDITIONS FOR ALL LOAN ADVANCES

The obligation of the Lenders to make any Loan advance is subject to the Borrower's satisfaction of the following requirements and conditions:

4.1. Satisfaction of Initial Advance Requirements: The Borrower shall have satisfied all requirements of Article III if any such requirements were not satisfied prior to the initial advance of Loan proceeds for the First Construction Phase of the Project.

4.2. Affidavit of Commencement: The Borrower shall provide to the Administrative Agent evidence of the filing of an Affidavit of Commencement for the first Construction Phase commencing after the Closing Date, satisfactory in form under applicable law, which Affidavit shall be filed within thirty (30) days after commencement of any work on such Construction Phase, together with evidence that such Affidavit of Commencement has been sent to all persons and entities to whom such Affidavit is required to be sent under applicable law.

4.3. Satisfaction of Construction Phase Requirements: The Borrower shall have provided to the Administrative Agent new or updated versions of the documents described in Article III for that Construction Phase of the Project to which an advance relates, as required by the Administrative Agent, including at a minimum:

(a) upon Administrative Agent's request, a down-date endorsement to the title policy described in Section 3.1 or other endorsement or agreement acceptable to the Administrative Agent guaranteeing the Administrative Agent's first lien with respect to such advance as required under Section 3.1;

(b) upon Administrative Agent's request an updated survey of any new footings completed since the prior advance of Loan proceeds;

(c) those documents described in paragraphs (f), (g), (h), (i), (j), (o) and (y) of Section 3.1 with respect to the Construction Phase to which an advance relates;

(d) any other documents deemed necessary by the Administrative Agent in connection with the Construction Phase to which an advance relates; and

(e) evidence of the filing of an Affidavit of Completion within ten (10) days following completion of any Construction Phase of the Project, together with evidence that such Affidavit of Completion has been sent to all persons and entities to whom such notice is required to be sent under applicable law (reasonable efforts only required for this item).

4.4. Residence and Care Agreements:

(a) With respect to advances for each Residential Construction Phase, the Borrower shall have delivered to the Administrative Agent evidence acceptable to the Administrative Agent that the Tenant has received and accepted Applications from Applicants to either the Tenant Reserve List or the Tenant Standby List (not including Applicants to the Tenant Futures List), together with payment of Priority List Deposits by all such Applicants and payment of Reservation Deposits by those Applicants on the Tenant Reserve List, equal in number to (i) seventy percent (70%) of the Continuing Care Units (as defined in the Residence and Care Agreements) to be constructed as part of such Residential Construction Phase, which Applications specify either (A) by number, a specific Continuing Care Unit in a specific building to be constructed as part of such Residential Construction Phase or (B) that the Applicant will accept the next available unit of the type designated by the Applicant on the Application (e.g. Efficiency, Studio, One Bedroom, Two Bedroom, etc.), and (ii) except in the case of the First Residential Construction Phase, eighty-five percent (85%) of the Continuing Care Units in each prior Residential Construction Phase, specifying the same matters set forth in subparts (A) and (B) of subsection (i) above. The Tenant Standby List may be a complete list for the entire Project and need not be restricted to a single Phase. Notwithstanding the foregoing, the Administrative Agent reserves the right to exclude from consideration towards the seventy percent (70%) and/or eighty-five percent (85%) requirements, Applications which the Administrative Agent, in the Administrative Agent's reasonable judgment, believes cannot be accommodated by the Residential Construction Phase at issue. (Applications may be excluded, by way of example and not of limitation, in the event a large number of Applications specify a particular type of Continuing Care Unit which cannot be accommodated in a particular Residential Construction Phase.) The Applications shall be bona fide arm's length contracts with Applicants of Hickory Chase, such contracts to be reasonably acceptable to the Administrative Agent in form and substance. The Administrative Agent shall have the right to audit existing Applications at any time, including (subject to applicable laws regarding privacy) contacting Applicants, to verify the status of such Applications. At the time of each request for an advance of the Loan, the Borrower shall provide to the Administrative Agent the information necessary to demonstrate satisfaction of the requirements of this paragraph, certified to the best of the knowledge, belief and information of an officer of the Borrower and also of either the Manager or the Tenant, which details the Applications received and accepted by the Tenant up to the date of the certification, and contains the following information for each Applicant: (a) the name, address and phone number of such Applicant; (b) the Building number and Unit number or type for which such Applicant has applied; and (c) the amount of the Applicant's Priority List Deposit and Reservation Deposits (as applicable), together with the Full Entrance Deposit expected to be paid by such Applicant. The Borrower shall also have delivered to the Administrative Agent evidence acceptable to the Administrative Agent that all monies held in escrow pursuant to the Residence and Care Agreements have been deposited in one or more escrow accounts acceptable to the Administrative Agent.

(b) With respect to each Phase of the Project which is not a Residential Construction Phase, any other provision or provisions of this Agreement or any of the Loan Documents to the contrary notwithstanding, all advances of the Loan shall be available only upon the Administrative Agent's approval of the commencement of such Construction Phase, which approval shall not be unreasonably withheld.

4.5. Submission of Disbursement Requests: Disbursements by the Administrative Agent shall be made pursuant to monthly requisitions on the form attached hereto as Schedule XIII or any form otherwise acceptable to the Administrative Agent (the "Disbursement Form"), submitted by the Borrower and approved by the Lender's Consultant, in such detail as may be required by the Administrative Agent. As of the date hereof, the Administrative Agent agrees that the Disbursement Form is acceptable to the Administrative Agent. Disbursements for labor and services provided by subcontractors shall be subject to retainage equal to ten percent (10%) of each subcontract, until such subcontract is fifty percent (50%) complete, and thereafter five percent (5%) of all requisitions for such items pursuant to such subcontract (any excess to be released by the Administrative Agent at that time). The balance of all retainages shall be released following completion of the Phase to which such subcontract relates and upon compliance with the conditions set forth in Article V regarding final advances. No advances will be made for materials delivered to or stored on the Property which have not been physically incorporated into the Project, unless the Borrower has made available for inspection by the Administrative Agent (i) written evidence from the seller or fabricator identifying the stored materials and indicating that ownership of the materials is vested, or upon payment therefor will vest, in the Borrower free and clear of liens, and (ii) evidence satisfactory to the Administrative Agent that the materials are secured, insured and protected against theft or damage. No advances shall be made for any non-Project related costs or expenses except as permitted under Section 2.1(a) of this Agreement regarding the Working Capital Advances (subject to the limitations set forth therein on such items). All requisitions for Working Capital Advances and/or for development fees or Distributions shall be included in the Disbursement Form and other documentation related to construction costs, and shall additionally be submitted under separate cover to the attention of Wayne D. Horvath, Portfolio Manager of the Administrative Agent at the address set forth in Section 10.6 hereof.

4.6. Inspections: Approval by the Administrative Agent of each disbursement will require a certification by a Lender's Consultant warranting that all completed work on the Project as of the date of any draw has been performed and all materials installed according to the Plans and Specifications, together with copies of approvals and certifications by appropriate governmental agencies of their approval and acceptance of work completed on the Project.

4.7. Additional Requirement and Conditions: The obligation of the Lenders to make any disbursements hereunder shall be subject to satisfaction of the following requirements and conditions:

(a) The Borrower shall have submitted a complete and fully executed disbursement request, duly approved and certified as provided in Section 4.5 hereof, by the time specified in Section 2.1(b);

(b) At its option, the Administrative Agent shall have received an endorsement to the Lenders' title insurance policy on the Property, issued at the Borrower's expense and covering all advances through the date of the most recent prior advance (but not including the current advance for which disbursement is being requested by the Borrower), indicating that there has been no change in the status of title and containing no survey exceptions not theretofore approved by the Administrative Agent;

(c) The Administrative Agent shall have received written confirmation from Lender's Consultant that, in Lender's Consultant's opinion, the Phase of the Project to which any Loan advance relates can be completed in accordance with the Plans and Specifications on or prior to the Completion Date for an amount not greater than the then current budget for such Phase submitted to and approved by Administrative Agent; provided, however, that unless otherwise requested by the Administrative Agent (or any Lender through the Administrative Agent), such analysis shall include hard costs only.

(d) No Event of Default, nor any event or state of facts which with notice or passage of time or both would constitute an Event of Default, shall then exist;

(e) The Administrative Agent shall have received a copy of all grading, building and other permits required for the Construction Phase of the Project to which such requisition relates;

(f) The Administrative Agent shall have received any reasonably required endorsements or modifications to casualty, liability and other insurance requested by the Administrative Agent or required to be provided under the terms of the Loan Documents;

(g) The Administrative Agent shall have received final title insurance policies and policies of insurance issued pursuant to and reflecting the requirements of Sections 3.1(a) and 3.1(d) hereof, for all Property encumbered by the Mortgage;

(h) If required by the Administrative Agent, the Administrative Agent shall have received an updated survey showing the location of all poured footings completed since the prior draw, together with all other Project Improvements, and certified as to all requirements of the Administrative Agent;

(i) The Administrative Agent shall have received lien waivers or other evidence of payment of the contractor, all subcontractors, laborers, mechanics, suppliers and materialmen through the date of the most recent draw request, or, if the most recent draw request occurred more than forty-five (45) days prior to the current draw, then such waivers shall be through the end of the calendar month immediately preceding the current draw;

(j) The Administrative Agent shall have received copies of such additional permits and licenses for completion of the Project as may be necessary or required by governmental authorities having jurisdiction over the Project;

(k) The Administrative Agent shall have received evidence that the Borrower has invested in the Project Twenty-One Million Three Hundred Fifty Thousand and 00/100 Dollars (\$21,350,000.00) of its own funds or subordinate debt (which may consist of the Mezzanine Financing, provided that Windsor OH Holdings, LLC and the Administrative Agent have entered into a subordination and intercreditor agreement satisfactory to Administrative Agent) acceptable to Administrative Agent in its sole discretion (which amount shall not include the Infrastructure Improvement Financing). The amount of Borrower's equity requirement which may consist of Pre-Development Soft Costs shall be determined by the Administrative Agent in its sole discretion;

(l) The Borrower shall have provided to Administrative Agent copies of paid real estate tax receipts for all property covered by the Mortgage (including all service payments and/or community development charges required to be paid by the Borrower pursuant to the terms of the Infrastructure Improvement Bond Documents) for each tax payment date occurring prior to the date of such disbursement; and

(m) The number of Applicants certified pursuant to Section 4.4 of this Agreement shall not have fallen below sixty-five percent (65%) of the Units in any one or more Residential Construction Phases for which the Lenders have advanced funds.

4.8. Representations and Warranties: The representations and warranties set forth in Article VII hereof shall be true and correct in all material respects on and as of the date of the initial advance for each Construction Phase, and no Default or Event of Default shall then exist under this Agreement.

ARTICLE V

REQUIREMENTS AND CONDITIONS FOR FINAL ADVANCE FOR EACH CONSTRUCTION PHASE

In addition to all other conditions set forth in Articles III and IV, the obligation of the Lenders to make the final advance of the Loan for a Construction Phase shall be subject to the Administrative Agent's receipt of the following:

5.1. Submission of Documents: The Borrower shall submit the following items to the Administrative Agent:

(a) Waivers of liens from the general contractor and all subcontractors, laborers, mechanics, suppliers and materialmen who have worked on the relevant Construction Phase of the Project through the date of the most recent draw request related to such Construction Phase, or, if the most recent draw request for such Construction Phase occurred more than forty-five (45) days prior to the final advance for such Construction Phase, then such waivers shall be through the end of the calendar month immediately preceding the final draw request for such Construction Phase (with final waivers to be submitted to the Administrative Agent within ten (10) days after the final advance, as provided in Section 7.8 of this Agreement);

(b) If required by the Administrative Agent, certificates of completion, in form and substance satisfactory to the Administrative Agent, from the Borrower and the Lender's Consultant certifying completion of all of Borrower's requirements relating to the relevant Construction Phase of the Project under the Loan Documents;

(c) Copies of final Certificates of Occupancy (or such other certificate or permit as may be necessary to entitle the Borrower, Tenant and Manager to full use and occupancy of the Construction Phase of the Project) issued for the Construction Phase of the Project just completed;

(d) Copies of such additional permits and licenses for final completion and occupancy of the relevant Construction Phase of the Project as may be necessary or required by

governmental authorities having jurisdiction over the Project, including, but not limited to, (i) any permits or licenses required by the State of Ohio to operate a continuing care retirement community; and (ii) any other permits/licenses required.

(e) An as-built survey certified as per the requirements of the Administrative Agent;

(f) At the Administrative Agent's request, a final endorsement to the Lenders' title insurance policy dated as of the date of final disbursement and showing no matters unacceptable to the Administrative Agent; and

(g) Evidence acceptable to the Administrative Agent that casualty and liability insurance has been placed in force and effect with respect to all Project Improvements in the relevant Construction Phase.

5.2. Other Requirements: The Borrower shall have paid all reasonable costs and expenses of the Administrative Agent and the Lenders accrued to date in connection with the completion of the Project and review of final disbursement requests.

ARTICLE VI

GENERAL PROVISIONS REGARDING DISBURSEMENTS

6.1. Insufficiency of Loan Proceeds: If at any time during the term of this Agreement, the Administrative Agent determines in its reasonable judgment that the remaining undisbursed portion of the Loan (taking into account the revolving nature of the Loan), together with available funds of the Borrower (including current and future loans to the Borrower from the Tenant) is insufficient for any reason to complete fully the Project Improvements in accordance with the Plans and Specifications, to pay all debt service in connection with the Loan and to pay all other costs, both direct and indirect, of the Project, the Borrower shall deposit with the Administrative Agent or its designee within ten (10) days of notice from the Administrative Agent such sums of money in cash (from sources other than the Loan) as may be required to eliminate such insufficiency. Any amount so deposited by the Borrower shall stand as additional security for the Borrower's Obligations under this Agreement and the other Loan Documents, and shall be disbursed before any further Loan advances are made hereunder.

6.2. Authorized Disbursements: Notwithstanding any other provision of this Agreement, the Borrower hereby irrevocably authorizes the Lenders, at the option of the Administrative Agent, after the occurrence of any Default to make disbursements of Loan proceeds (i) directly to the Title Company or any public authority for fees, assessments or taxes owed with respect to the Project, any insurer of the Project to whom premiums are owed for the maintenance of insurance required by the Loan Documents, or to any contractor, subcontractor, laborer, mechanic, supplier or materialmen furnishing labor, services or materials in connection with the Project for any amounts due them in connection therewith, or (ii) directly to the Administrative Agent and the Lenders for interest, fees, expenses and any other amounts advanced by the Lenders or required to be paid to the Administrative Agent or the Lenders under

the Notes or the other Loan Documents. No further authorization from the Borrower shall be necessary for the Lenders to make such direct disbursements, and all such disbursements shall satisfy pro tanto the obligation of the Lenders hereunder and shall be secured by the Mortgage.

6.3. Disbursements Do Not Constitute Waiver: No disbursement of any Loan proceeds by the Lenders shall constitute a waiver of any of the conditions of the obligation of the Lenders to make further disbursements nor, in the event the Borrower is unable to satisfy any such condition, shall any such disbursement have the effect of precluding the Lenders, through the Administrative Agent, from thereafter declaring such inability to be an Event of Default.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Administrative Agent and the Lenders as of the date hereof, and is deemed to represent and warrant as of the date Borrower submits any disbursement request to the Administrative Agent hereunder and as of the date of any disbursement hereunder, unless modification thereof has been approved by the Administrative Agent or where approval is not required, that:

7.1. Ongoing Accuracy of Representations and Warranties: All representations and warranties made by the Borrower and/or the Guarantor or by any other person or entity on behalf of the Borrower or the Guarantor to the Administrative Agent and the Lenders in connection with the Loan are true, complete and correct in all material respects.

7.2. Organization and Authorization of Borrower: The Borrower is a duly organized and validly existing limited liability company formed under the laws of Maryland, and that the Borrower has all necessary power and authority to execute and deliver, and to consummate the transactions contemplated in, this Agreement, the other Loan Documents, and all other agreements and instruments herein mentioned to which the Borrower is a party.

7.3. Actions Pending: Except as previously disclosed to the Administrative Agent in writing, there is no action, suit, investigation or proceeding pending or, to the knowledge of the Borrower, threatened, against or affecting the Borrower, the Guarantor, the Tenant or the Project, or any properties or rights of the Borrower, the Guarantor, or the Tenant before any court, arbitrator or administrative or governmental body which might affect the Project or which might result in any material adverse change in the business, financial condition or operations of the Borrower, of the Guarantor, or of the Tenant.

7.4. Statutes, Judgments, etc.: To the best of the Borrower's knowledge, there is no law, statute, rule or regulation which would be contravened by the execution, delivery, or performance of this Agreement or the other Loan Documents, or the construction and equipping of the Project Improvements as herein contemplated. There is no judgment, decree or order of any court or government agency binding on the Borrower, the Guarantor, or the Tenant which would be contravened by the execution, delivery, or performance of this Agreement or the other Loan Documents, or the construction and equipping of the Project Improvements as herein contemplated.

7.5. Use of the Project: The use of the Project as herein contemplated complies, in all material respects, to the best of the Borrower's knowledge, with applicable restrictive covenants, zoning ordinances, environmental regulations and controls, and other requirements and regulations of governmental authorities having jurisdiction over the Project or the uses thereof.

7.6. Taxes: All federal, state and local tax returns and reports of the Borrower, the Guarantor, and the Tenant required by law to be filed have been duly filed, and all taxes, assessments, fees and other governmental charges upon the Borrower, the Guarantor and the Tenant and their properties, assets, income and franchises which are due and payable have been paid, unless the same are being contested in good faith by appropriate proceedings and the party owing the same has created a reserve therefor in an amount acceptable to the Administrative Agent. Each of the Borrower, the Guarantor, and the Tenant maintains adequate reserves and/or accruals in respect of federal, state and local taxes for all fiscal periods, and the Borrower does not know of any unpaid assessments for any taxes or any basis therefor.

7.7. No Default: Except as previously disclosed to Administrative Agent in writing, to the best of the Borrower's knowledge, there exists no default, by the Borrower, the Guarantor, or the Tenant, in the payment of any indebtedness or in the performance of any obligations under any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which any of them is a party or by which any of them or their assets may be bound and which might have a material adverse effect upon any of them, and no Default or Event of Default as herein provided has occurred. To the best of the Borrower's knowledge, the Borrower, the Guarantor, and the Tenant are not in default under any order, judgment, award or decree of any court, arbitrator, or governmental authority binding on or affecting any of them or by which any of them or their assets may be bound or affected, and no such order, judgment, award or decree materially adversely affects the ability of any of them to carry on its business as now conducted or the ability of any of them to perform its Obligations under this Agreement or the other Loan Documents.

7.8. No Affiliate Obligations: Senior Living Limited Partnership, a Nevada limited partnership, Senior Living Limited Partnership II, a Nevada limited partnership, J&N Nevada Holding, Inc., a Nevada corporation, JCE Holding Corp., a Maryland corporation (collectively, the "J&N Entities"), any of the trusts holding an ownership interest in any of the J & N Entities, Guarantor and Erickson Group, LLC ("EG") are not owed any amounts of any kind, including amounts of the type described in Section 8.10 hereof, by the Borrower as of the date of this Agreement.

7.9. Infrastructure Improvements: Each of the representations and warranties of the Borrower set forth in Section 13.1 of this Agreement are true, complete and correct in all material respects.

ARTICLE VIII

COVENANTS

The Borrower covenants and agrees with the Administrative Agent and the Lenders that, so long as any portion of the Loan remains unpaid:

8.1. Construction of Project Improvements: As long as all of the Lenders have not failed to comply with their several funding obligations under this Agreement, the Borrower will cause the Improvements for each Construction Phase to be completed in accordance with the Plans and Specifications for each Construction Phase on or before the Completion Date for each Construction Phase, free and clear of all liens other than the Mortgage and any junior encumbrance permitted thereby. Each intended addition, deletion or modification to the Plans and Specifications shall be approved in writing by all governmental authorities to whom such Plans and Specifications are required to be submitted. No modification of or amendment to the Plans and Specifications for any single Construction Phase approved by the Administrative Agent, which either (i) results in a change which is structural and material in nature or (ii) results in an increase in construction costs in excess of the contingency amounts shown in the approved budget for any Construction Phase shall be made without prior written approval of the Administrative Agent. The Administrative Agent shall use its reasonable efforts to approve or deny any request for a change order within seven (7) Business Days.

8.2. Maintenance of Property; Insurance: The Borrower will keep or cause to be kept the Project Improvements and all of the property useful or necessary in the operation of Hickory Chase in good working order and condition. The Borrower will obtain or cause to be obtained and maintain in full force and effect any and all insurance required hereby and by the Mortgage. All policies of insurance shall be in form and with companies satisfactory to the Administrative Agent in amounts required by the Loan Documents (and in any event not less than amounts sufficient to prevent any co-insurance liability of the Borrower or the Lenders), naming the Administrative Agent as Mortgagee, as agent for the Lenders, with loss payable to the Administrative Agent, as agent for the Lenders, as their interests may appear, and providing for not less than thirty (30) days prior written notice to the Administrative Agent of any intended cancellation, termination or reduction in coverage.

8.3. Financial Statements, Books and Records:

(a) The Borrower shall provide, or cause to be provided, to each of the Lenders within fifteen (15) days after the end of each calendar month, or at such other times as required under the Loan Documents, a statement or schedule reconciling the date and amount of all Entrance Deposits received by the Tenant to the payments due under the terms of the Notes. All of the foregoing information shall be certified to the best of the knowledge, belief and information of the Borrower.

(b) The Borrower and the Guarantor shall deliver to each of the Lenders within thirty (30) days after the close of each calendar month of each calendar year, beginning with the calendar month during which this Agreement was executed, for itself and for the Tenant, a balance sheet, statements of income and expense and retained earnings and a statement of cash flows, on both a consolidated and consolidating basis for all such entities, for that portion of the fiscal year-to-date then ended, prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year (or containing disclosure of the effect on financial position or results of operations of any change in the application of generally accepted accounting principles during the year), prepared and certified as to accuracy, in the case of the Borrower and the Guarantor, by the chief financial officer of Erickson Retirement Communities, LLC (the Guarantor, which is also the initial Manager and the

Developer), in the case of the Borrower, on behalf of such entity as a member of the Borrower, and in the case of the Tenant by an officer of the Tenant, together with a letter in the form attached hereto as Schedule VI regarding compliance with all covenants set forth in the Loan Documents. The financial statements required under this paragraph (b) for Erickson Retirement Communities, LLC shall include management discussion and analysis of the contents of such financial statements.

(c) The Borrower and the Guarantor shall deliver to each of the Lenders within ninety (90) days after the close of each fiscal year beginning with the fiscal year ending December 31, 2008, a draft balance sheet for itself and for the Tenant and, if requested by the Administrative Agent in its sole discretion, the Contractor, as of the close of such fiscal year and draft statements of income and retained earnings and a statement of cash flows, on both a consolidated and consolidating basis for all such entities, for the year then ended, prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year (or containing disclosure of the effect on financial position or results of operations of any change in the application of generally accepted accounting principles during the year), by a firm of independent certified public accountants acceptable to the Administrative Agent. The Borrower and the Guarantor shall deliver to each of the Lenders within one hundred twenty (120) days after the close of each fiscal year beginning with the fiscal year ending December 31, 2008, a finalized balance sheet and financial statements for itself and for the Tenant as described in the immediately preceding sentence, prepared in the same manner as aforesaid, all of which shall be audited by a firm of independent certified public accountants acceptable to the Administrative Agent.

(d) The Borrower and the Guarantor shall furnish to each of the Lenders, within ten (10) days after filing thereof, copies of all federal, state and local income tax returns or informational filings for the Borrower, the Guarantor, and the Tenant.

(e) The Borrower will, and will cause the Guarantor and the Tenant to: (a) at all times maintain complete and accurate records and books of account in accordance with generally accepted accounting principles, (b) comply with any or all other reasonable reporting, verification, inspection and other administrative requirements of the Administrative Agent as requested by the Administrative Agent from time to time and (c) permit each of the Lenders, by its agents, accountants and attorneys to enter and inspect all properties and operations of the Borrower, the Guarantor, and the Tenant, and to examine such records and books of account. Each of the Lenders will use reasonable efforts not to interfere with the business of the Borrower, the Guarantor or the Tenant in the course of such inspections.

(f) The Borrower will deliver or cause the Guarantor to deliver to each of the Lenders not less than thirty (30) days prior to the start of each new fiscal year, an annual operating budget for Erickson Retirement Communities, LLC.

(g) The Borrower will deliver or cause the Guarantor to deliver to the Lenders within twenty-one (21) days after the end of each fiscal quarter of Erickson Retirement Communities, LLC a project status report for the Project.

(h) The Borrower will deliver or cause the Guarantor to deliver to the Lenders within thirty (30) days after the end of each calendar month a monthly marketing report with narrative analysis for the Project, including information with regard to presales, Entrance Deposits and settlement of Units, all in a form satisfactory to Administrative Agent.

(i) The Borrower will, and will cause the Guarantor, the Tenant and Erickson to, supply to an Administrative Agent promptly upon its request, but in no event later than thirty (30) days following such request, such other information about their financial condition and business affairs as an Administrative Agent may, from time to time, reasonably request, the parties hereby agreeing that it shall be reasonable for an Administrative Agent at any time to request at a minimum (and without limitation of other materials which it may be reasonable for the Administrative Agent to request from time to time) financial statements and information regarding loan and guaranty obligations and liens on assets for the Guarantor, the Tenant and/or Erickson.

8.4. Availability of Funds: Upon request by the Administrative Agent, the Borrower will furnish the Administrative Agent satisfactory evidence that funds necessary to complete the Project in excess of the proceeds of the Loan (taking into account the revolving nature of the Loan) together with any required funds of the Borrower (including current and future loans to the Borrower from the Tenant) have been advanced by or are available to the Borrower.

8.5. Certifications, Licenses, Permits, etc.: The Borrower will obtain or cause to be obtained all certifications, licenses, permits and governmental approvals as may be necessary or required to complete the Project and furnish copies to the Administrative Agent upon their receipt.

8.6. Notices: The Borrower will promptly give written notice to the Administrative Agent of (i) all litigation in excess of \$100,000 (individually or in aggregate) affecting the Borrower, the Guarantor, the Tenant, or any aspect of the Project, and (ii) all complaints and charges made by any governmental authority having jurisdiction over the Project which may delay the construction of the Project Improvements, require material changes in the Plans and Specifications or otherwise impair the security of the Lenders.

8.7. Payment of Obligations: The Borrower will pay and discharge (or cause to be paid and discharged) at or before maturity all of their material obligations and liabilities, including (without limitation) tax liabilities, including, but not limited to, all service payments and/or community development charges required to be paid by the Borrower pursuant to the terms of the Infrastructure Improvement Bond Documents, and will pay or cause to be paid all costs and expenses of constructing and equipping the Project Improvements, and claims for labor, materials, and supplies that, if unpaid, might become liens on the Property, except such as are being contested in good faith by appropriate proceedings. The Borrower will maintain in accordance with generally accepted accounting principles appropriate reserves for the accrual of any such obligations and liabilities.

8.8. Further Assurances: Upon request by the Administrative Agent, the Borrower shall do (or cause to be done) any act or execute (or cause to be executed) any additional documents (including, but not limited to, security agreements and financing statements on any

personality included or to be included in the Property) as may be reasonably required by the Administrative Agent to confirm the lien and security interest of the Mortgage or any other Loan Documents.

8.9. Sale of Assets, Consolidation, Merger, Etc.: Except for transactions exclusively between the Borrower and the Guarantor, and except as otherwise specifically permitted in the Loan Documents, neither the Borrower nor the Guarantor nor the Tenant, shall (a) sell, lease, transfer or otherwise encumber or dispose of any of its properties or assets, other than (i) arm's length leases entered into in the normal course of business at Hickory Chase or other retirement communities with banks, beauticians or other service providers contemplated to be a part of the overall community development, (ii) easements or other encumbrances necessary for the development of Hickory Chase or other retirement communities which do not represent an economic obligation on the part of the Borrower or Guarantor and which do not impair the value of the property on which they are granted, and (iii) disposal of worn out or obsolete assets which are replaced at the time of disposal with assets of equal or greater value; (b) consolidate with or merge into any other entity, or permit another entity to merge into it, or acquire all or substantially all the properties or assets of any other person or entity; (c) enter into an arrangement, directly or indirectly, with any person whereby it or any of its subsidiaries or Affiliates shall sell or transfer any property, real or personal, which is used and useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property for substantially the same purpose or purposes as the property being sold or transferred, without first giving the Administrative Agent prior written notice thereof and answering any reasonable inquiries made by the Administrative Agent with respect to the details of such activity in order to permit the Administrative Agent to determine, among other matters, whether the Administrative Agent would consider such an activity an Event of Default under Section 9.1(o) of this Agreement; (d) cause or consent to (i) any change in the name of, or the ownership of membership interests in, the Borrower, or the Tenant, or (ii) any change in the name of the Guarantor, or any Transfer with respect to the ownership or membership interests in the Guarantor; (e) without the Administrative Agent's prior written consent, cause or consent to any change in (i) the Borrower's Organizational Documents, (ii) the identity of the Manager, or (iii) any material change in the manner in which the business or operations of the Borrower, the Guarantor or the Tenant is conducted, or (f) without giving written notice to the Administrative Agent and answering any reasonable inquiries made by the Administrative Agent with respect thereto in order to permit the Administrative Agent to determine, among other matters, whether the Administrative Agent would consider such activity an Event of Default under Section 9.1(o) of this Agreement, cause or permit any change in the role or continued employment of more than two (2) members of Senior Management of the Guarantor within any twelve (12) month period, whether voluntary or involuntary, by resignation, retirement, death, disability or otherwise.

8.10. Distributions, Etc.:

(a) Except for transactions exclusively between the Borrower and the Guarantor and as otherwise permitted in this Agreement, neither the Borrower nor the Guarantor will, without Administrative Agent's prior written consent, pay any income, bonuses, profits, dividends, salaries or fees to, or make any Distribution of cash or property to, any members of the Borrower or the Guarantor or Affiliates of such members (including other entities in which the Borrower or the Guarantor own an interest); provided, however, that so long as no Default

shall have occurred and be continuing or would be created by any such Distribution, and provided the Borrower sends Administrative Agent a separate written notice (i.e., separate from financial statements or other reporting requirements under the Loan Documents) (each a "Pre-distribution Notice") and supplies the Administrative Agent with all information reasonably requested by the Administrative Agent with respect to the following items prior to any payments or Distributions being made under this Section 8.10: (a) the Borrower and the Guarantor may make Tax Distributions, so long as (i) prior to the payment of any such Tax Distribution, the Administrative Agent shall have received and approved (which approval shall not be unreasonably withheld) the Borrower's written calculation of such Tax Distribution and (ii) such Tax Distribution is paid by the Borrower or the Guarantor within thirty (30) days of the date on which such tax liability is due and payable; (b) the Borrower may make Development Distributions (as defined herein) to its members calculated as five percent (5%) of Initial Entrance Deposits for each Residential Construction Phase, or, in the event the Guarantor is no longer a member of the Borrower, amounts equal to such Development Distribution may be paid as a development fee under the Development Agreement, but no such Development Distributions or fees (collectively "Development Distributions") shall be paid in advance of the following schedule: (A) prior to the date Construction Phase RB 2.1 or any Residential Construction Phase after Construction Phase RB 2.1 achieves an occupancy of ninety-five percent (95%), the Development Distribution for any Residential Construction Phase shall be paid only when such Residential Construction Phase achieves an occupancy of ninety-eight percent (98%); and (B) after Construction Phase RB 2.1 or any Residential Construction Phase after Construction Phase RB 2.1 achieves an occupancy of ninety-five percent (95%), one-half (1/2) of the Development Distribution for each Residential Construction Phase (including Residential Construction Phases built prior to Construction Phase RB 2.1) shall be paid when such Residential Construction Phase achieves an occupancy of ninety-five percent (95%), and the remaining one-half (1/2) of such Development Distribution shall be paid when such Residential Construction Phase achieves an occupancy of ninety-eight percent (98%); (c) subject to the provisions of Section 8.18 hereof, and to the other provisions of the Loan Documents, payments may be made to Erickson in accordance with agreements previously approved by the Administrative Agent and set forth on Schedule VII attached hereto; and (d) the Guarantor may make Distributions at its discretion, so long as there exists no material event of default by the Borrower or the Guarantor in the payment of any indebtedness or in the performance of any obligations under any mortgage, indenture, or other agreement guaranteeing, evidencing or securing indebtedness to which either of them is a party, and Guarantor is in compliance with the Liquidity Covenant set forth in Section 8.18. Except for amounts permitted to be paid under the terms of this Section 8.10 or Section 8.11(c) below, at the times and in the amounts permitted hereunder, neither the J&N Entities (as defined in Section 7.8) nor EG (as defined in Section 7.8) nor any of the trusts holding an ownership interest in any of the J&N Entities, EG, or Guarantor shall be owed any amounts by the Borrower or the Guarantor during the term of the Loan.

(b) Notwithstanding anything set forth herein to the contrary, (i) the Borrower and Guarantor covenant and agree that annual Distributions under the Growth Participation Plan and Distributions to Common B Members under Group's operating agreement may only be made, to the extent allowed under section 8.10(a) above, in the ordinary course of business between March 15 and August 15, and (ii) Distributions to Group, Mr. John C. Erickson, Nancy Erickson, Related Entities or family members of Mr. Erickson (collectively, "Group Distributions") shall not exceed, in any calendar year, in the aggregate, the sum of the amount

required to make Tax Distributions plus \$500,000. The foregoing restriction under subpart (ii) will not apply if (A) no Event of Default under this Agreement has occurred or is continuing, and (B) after giving effect to such Distribution, the Guarantor would have cash and cash equivalents in excess of (x) an amount needed to satisfy the highest level of liquidity required under any liquidity covenant contained in documentation relating to the Senior Indebtedness, plus (y) 50% of the outstanding principal balance of Parity Debt. The definitions for the terms used in Sections 8.10(b), (c) and (d) hereof not previously defined in Article I hereof are set forth in Schedule XII attached hereto.

(c) The Guarantor shall have the right, in connection with a permitted sale of a Continuing Care Project, to transfer its interest in a Landowner, including, if applicable, as a redemption or a Distribution, to an Operator (a "Sale Distribution").

(d) The Guarantor shall deliver to the Administrative Agent an original Annual Distribution Certificate on or before June 1, in each year, setting forth the Distributions made, if any, in the immediately preceding twelve-month period and stating compliance with the provisions of this Section and Section 8.18.

(e) Notwithstanding anything set forth herein to the contrary, the Guarantor may make payments of reasonable salary and annual bonuses paid in the ordinary course of business (excluding Distributions), to its officers, and of reasonable director's fees to its directors, consistent with past practices.

8.11. Additional Debt: Except for transactions exclusively between the Borrower and the Guarantor, neither the Borrower nor the Guarantor shall incur, create, assume or permit to exist any obligation or obligations for money borrowed or other indebtedness or debt obligations of any type other than (a) the Loan and Obligations described herein or other obligations in favor of the Lenders; (b) loans made pursuant to the terms of the Community Loan Documents; (c) loans from members, provided repayment of such loans is subordinated to repayment of the Loan to the Lenders under the terms of the Loan Documents; (d) trade debt of the Manager incurred in the ordinary course of business; (e) the Mezzanine Financing; and (f) the New Office Building Financing, without first giving the Administrative Agent prior written notice thereof and answering any reasonable inquiries made by the Administrative Agent with respect to the details of such activity in order to permit the Administrative Agent to determine, among other matters, whether the Administrative Agent would consider such activity an Event of Default under Section 9.1(o) of this Agreement. Notwithstanding the above or any other provision of this Agreement to the contrary, during the Loan term, the Borrower will not incur any additional indebtedness which is not expressly subordinate to the Loan on terms acceptable to the Lenders, nor will it allow any additional liens on any of its assets.

8.12. Guaranties: Except for (a) transactions exclusively between the Borrower and the Guarantor, (b) the endorsing of checks or other instruments for deposit or collection in the ordinary course of business by the Borrower and the Guarantor, and (c) the guaranteeing of loans in favor of the Lenders as approved by the Administrative Agent and loans permitted under Section 8.11, neither the Borrower nor the Guarantor shall endorse, guarantee or become surety for the obligation of any person or entity without first giving the Administrative Agent prior written notice thereof and answering any reasonable inquiries made by the Administrative Agent

with respect to the details of such activity in order to permit the Administrative Agent to determine, among other matters, whether the Administrative Agent would consider such activity an Event of Default under Section 9.1(o) of this Agreement. Notwithstanding the foregoing provisions of this Section 8.12, the guaranteeing by the Guarantor of construction and mezzanine loans for new retirement communities consistent with past practices and within the parameters set forth in Section 9.1(aa), shall not constitute an Event of Default under Section 9.1(o) of this Agreement.

8.13. Acquisitions: Neither the Borrower nor the Guarantor shall acquire any new business or any interest in any new business or any real estate (including entering into any leases or other arrangements for new or additional locations) or make any investment of any kind in any other entity, including, but not limited to, asset or stock acquisition, or undertake any other construction project, (including any new retirement community, but excluding normal repairs and maintenance to existing structures), without giving the Administrative Agent written notice thereof within ninety (90) days of such activity and answering any reasonable inquiries made by the Administrative Agent with respect to the details of such activity in order to permit the Administrative Agent to determine, among other matters, whether the Administrative Agent would consider such activity an Event of Default under Section 9.1(o) of this Agreement. Notwithstanding the prior provisions of this Section 8.13, the Guarantor may invest sums necessary to complete the new office building being financed by the New Office Building Financing.

8.14. Loans: Except for transactions exclusively between the Borrower and the Guarantor, neither the Borrower nor the Guarantor shall make loans to any person or entity for any purpose except for (a) loans to the Tenant under the Working Capital Loan Documents, and (b) and loans made by Erickson Retirement Communities, LLC to its Affiliates, employees, directors or officers, not to exceed Five Million Dollars (\$5,000,000.00) in the aggregate.

8.15. Primary Banking Relationship: The Borrower shall maintain its primary banking relationship with KeyBank. Substantially all of the Liquid Assets of the Borrower shall at all times during the term of the Loan be deposited with and/or held by Key Bank. Fifth Third Bank may also provide banking services to the Borrower with the prior written approval of KeyBank, which shall not be unreasonably withheld.

8.16. Bank Branch: The Borrower shall cause the Tenant to agree in writing that KeyBank and its Affiliates or correspondents (but any correspondent which is not a participant with respect to the Loan shall be subject to approval of the Borrower not to be unreasonably withheld) shall have the exclusive right to operate any bank branch at Hickory Chase through the fifth (5th) anniversary of the date on which any space within Hickory Chase in which KeyBank may operate a branch ("Bank Branch Space") is available for occupancy, or through such earlier date as KeyBank notifies the Tenant or the Borrower in writing that KeyBank has decided to surrender such exclusive right. The rights of KeyBank (and its Affiliates, correspondents and/or participants or co-lenders) under this Section 8.16 shall terminate if (a) KeyBank, its Affiliates, correspondents and/or participants or co-lenders fails to enter into a lease for such Bank Branch Space (for a term to begin upon the date such Bank Branch Space becomes available for occupancy) within thirty (30) days after written notice from the Tenant or the Borrower, issued not sooner than one hundred eighty (180) days prior to the date on which the

Bank Branch Space will be subjected to the lease between the Tenant and the Borrower and will be available for occupancy, at a rate and on terms acceptable to the Tenant and (b) the Tenant enters into a lease for such Bank Branch Space (for a term to begin upon the date Bank Branch Space becomes available for occupancy) at a rate and on terms as favorable or more favorable to the Tenant than the rate and terms last offered by the Tenant to KeyBank, its Affiliates, correspondents and/or participants or co-lenders.

8.17. Fees of Lender's Consultant: The Borrower will pay all fees of any Lender's Consultant retained by the Administrative Agent in connection with the Loan.

8.18. Liquidity Covenant: The Borrower will cause the Guarantor to, maintain at all times combined, unrestricted Liquid Assets equal in value to at least Twenty-Four Million Dollars (\$24,000,000), or such greater amount as the Guarantor is obligated by other senior project lenders to maintain under any agreements with such other lenders (excluding the liquidity covenant established in connection with Ziegler Securities). In addition, (a) if any of the Ziegler Securities, the Mezzanine Financing or the Corporate Revolver is no longer in full force and effect, the Borrower shall notify Administrative Agent, and the Guarantor shall be required to demonstrate to Administrative Agent additional liquidity commensurate with that required by whichever one or more of the Ziegler Securities, the Mezzanine Financing or the Corporate Revolver is no longer in full force and effect within thirty (30) days following the date on which the same is no longer in full force and effect, and (b) if the Guarantor is involved in any continuing care retirement community or similar project (an "Other Project") which is being financed in whole or in part by bank construction financing or its equivalent (excluding financing by a project tenant which is or has applied for status as a non-profit entity, and which financing is structured in a manner similar to the financing structure in place with respect to either (i) the New Jersey Economic Development Authority Retirement Community Refunding Revenue Bonds (Seabrook Village, Inc. Facility), Series 2006, or (ii) the Montgomery County, Maryland Variable Rate Demand Bonds (Riderwood Village Project), Series 2004) (whether taxable or tax exempt), the Borrower will cause the Guarantor to, maintain Liquid Assets equal in value to at least Seven Million Five Hundred Thousand Dollars (\$7,500,000) for each Other Project in excess of the first four (4) such Other Projects (which are covered by the \$24,000,000 requirement above), provided, that sites that are acquired after the date hereof and are not under construction by the Guarantor shall not be deemed to be Other Projects until the earlier of (A) the closing of the construction financing with respect to such site, or (B) the commencement of construction of any residential building or community building in connection with such site. The liquidity covenant subsequent to the closing of the Loan is expected to be Fifty-Four Million Dollars (\$54,000,000), based on the following projects: Fox Run, Eagle's Trace, Highland Springs, Maris Grove, Windcrest, Tallgrass Creek, Ashby Ponds and Hickory Chase. An additional \$7,500,000 shall be added to the liquidity covenant for each new project, upon the earlier of (i) the closing of the construction financing with respect to each project, or (ii) the commencement of construction of any residential building or community building in connection with such project.

8.19. Entrance Deposits: All Entrance Deposits shall at all times be received, held and disbursed by the Manager, the Escrow Agent, the Tenant and the Borrower in compliance with the provisions of this Section 8.19. All Initial Entrance Deposits (including each and every portion thereof) paid or delivered to the Tenant or the Manager shall, to the extent the same are

required to be delivered to the Escrow Agent pursuant to the Escrow Agreement or under applicable law, be delivered by them to the Escrow Agent within two (2) Business Days of delivery of any check, money order or other medium of payment by a Resident to either the Manager or the Tenant. The Escrow Agent shall hold each Resident's Entrance Deposit in accordance with the terms of the Residence and Care Agreements, the Escrow Agreement, and applicable laws. All Initial Entrance Deposits not so required to be delivered to the Escrow Agreement, and all Initial Entrance Deposits which are released by the Escrow Agent, shall be delivered to the Trust Account and otherwise handled in accordance with the terms of the Trust Agreement. All amounts deposited in the Trust Account, in accordance with the terms of the Trust Agreement, shall, on the fifteenth (15th) and the later of the twenty-eighth (28th), the twenty-ninth (29th) or the thirtieth (30th) days of each calendar month, be applied by the Administrative Agent and the Lenders to repayment of the Loan. Notwithstanding the foregoing, (a) the Administrative Agent and Lenders may at any time following the occurrence of any Event of Default, apply any and all funds in the Trust Account and/or the Borrower Collateral Account to payment of the Loan; (b) consistent with the terms of the Trust Agreement, the Borrower may accept an assignment from the Tenant of promissory notes from Residents in lieu of cash advances under the Community Loan Documents, and the Lenders will in turn accept an assignment of such promissory notes and the payments made thereunder in lieu of payments which would otherwise be required under the Notes for Units paid for in cash, provided that (i) no such note may have an initial maturity longer than one (1) year, or be extended beyond the date which is one year after the date of its original execution, (ii) at no time shall the aggregate amount of such notes having initial maturities in excess of thirty (30) days or having been extended to a date which is more than thirty (30) days after the dates of their original execution, exceed the sum of One Million Five Hundred Thousand Dollars (\$1,500,000), (iii) all such notes shall be delivered to the Tenant at the time specified in the Residence and Care Agreements, and shall promptly, upon receipt by the Tenant, be delivered to the Borrower, and if requested by the Administrative Agent, the Borrower shall deliver such notes to the Administrative Agent, with any necessary endorsements in favor of the Borrower and/or Administrative Agent, as applicable, to be held by the Borrower and/or Administrative Agent as collateral on the same terms described herein, and (iv) when such notes are repaid, the proceeds thereof shall be subject to the prior provisions of this Section 8.19.

8.20. Projections: The Borrower shall ensure, for each Construction Phase, that there is no material deviation in the actual operations of the Borrower, the Tenant and the Project as compared to the revenue and expense projections given by the Borrower to KeyBank in connection with the underwriting of the Loan.

8.21. Developer's Fee. No development fee or Distribution may be paid or made by the Borrower except in accordance with the provisions of Section 8.10(b) of this Agreement.

8.22. Compliance With Laws, Agreements: The Borrower shall comply, and shall cause the Tenant, the Manager and all other persons or entities involved in the construction, leasing, operation or management of Hickory Chase to comply, with all laws, rules and regulations applicable to such activities, including all licensing laws of the State of Ohio, and with the provisions of all material agreements relating to reimbursement for care and services provided to Residents of Hickory Chase.

8.23. Delivery of Documents: The Borrower shall deliver or cause to be delivered to the Administrative Agent copies of all Medicare/Medicaid participation agreements, third party payor agreements, transfer agreements and other agreements of any kind relating to provision of care and services to Residents of Hickory Chase, promptly upon execution thereof.

8.24. Bank Accounts: All of the Bank Accounts shall at all times be maintained with and on the books of the Administrative Agent. No party other than the Administrative Agent shall have any right of access to any of the Bank Accounts, all of which shall be and remain at all times under the exclusive dominion and control of the Administrative Agent, and no withdrawals may be made from any of the Bank Accounts except with prior written consent of the Administrative Agent; provided, however, that the Administrative Agent's rights with respect to any of the Bank Accounts belonging to the Tenant shall be limited to the rights of the Borrower with respect thereto (all of which rights shall be reassigned by the Borrower to the Administrative Agent), except where a grant of rights to the Borrower expressly states that reassignment of such rights to the Borrower's lender is not subject to such a limitation. All of the Bank Accounts and the Borrower's interests in the HC Operating Account shall be pledged to the Administrative Agent as collateral for the Loan. The Lenders hereby agree that prior to the occurrence of a Default under the Loan Documents, the Administrative Agent will disburse from the Lockbox Account monthly within forty-eight (48) hours of receipt by the Administrative Agent of a certification by the Borrower as to the proper amounts thereof, all amounts which would, in the absence of the Loan Documents, be disbursed to the Borrower Operating Account and the HC Operating Account under the terms of the Lockbox Account Agreement, but if the Administrative Agent fails to do so the parties to the Lockbox Account Agreement shall nevertheless still not have any access to the Lockbox Account. Notwithstanding the foregoing provisions of this Section 8.24, the Lenders hereby (i) grant to the Borrower a revocable license to withdraw funds from the Borrower Operating Account prior to the occurrence of a Default under the Loan Documents for payment of business expenses incurred in the ordinary course, subject, however, to approval in advance by the Administrative Agent, which license shall terminate automatically upon the occurrence of a Default by Tenant under the Loan Documents, after which the Administrative Agent shall once again have sole right of access to the Borrower Operating Account, and (ii) grant to the Borrower, who shall re-grant to the Tenant, a revocable license to withdraw funds from the HC Operating Account prior to the occurrence of a Default by Tenant under any of the Working Capital Loan Documents, the Community Loan Documents or the Lease for payment of business expenses incurred in the ordinary course, subject, however, to approval in advance by the Administrative Agent. Such license shall terminate automatically upon the occurrence of a Default by Tenant under any of the Working Capital Loan Documents, the Community Loan Documents or the Lease, after which the Administrative Agent shall once again have sole right of access to the HC Operating Account. Each of the Bank Accounts shall be titled in the name of the Administrative Agent as trustee for itself and the other parties in interest to such Bank Accounts. The provisions of this Section 8.24 shall supersede and control over any other contrary or conflicting provisions of the Loan Documents with respect to the Bank Accounts. The Borrower shall cause all parties to the Bank Accounts to agree to the provisions of the Loan Documents with respect thereto, including the provisions of Sections 8.19 and 8.20 of this Agreement. Notwithstanding the foregoing, if any collateral for the Loan consists of Deposit Accounts (as defined by the Ohio Uniform Commercial Code - Secured Transactions) of the Borrower (which are not Bank Accounts) or of another party which have been pledged in favor of Borrower, Borrower shall advise the Administrative Agent in writing of

the creation of such accounts within 30 days and shall obtain and/or deliver to the Administrative Agent a control agreement, in form reasonably satisfactory to the Administrative Agent.

8.25. Flow of Funds. All Initial Entrance Deposits and Monthly Fees paid by the Residents shall be received, held, disbursed and applied in accordance with the charts attached hereto as Schedule VIII labeled "Flow of Initial Entrance Deposits," and Schedule IX labeled "Flow of Monthly Fees."

8.26. Transfer Agreements. Prior to occupancy of any Units in the Retirement Community, and continuing during the term of the Loan, Borrower shall provide to the Administrative Agent copies of transfer agreements with other local nursing homes and hospitals, in form and substance satisfactory to the Administrative Agent, evidencing arrangements necessary to accommodate the skilled nursing and acute care needs of the Residents of Hickory Chase, taking into account the number of approved and available nursing home beds at Hickory Chase from time to time.

8.27. Tax Reporting Agency. The Borrower will pay all reasonable fees of any tax reporting agency hired by the Administrative Agent in connection with the Loan.

8.28. Taxes. The Borrower shall not, without the Administrative Agent's prior written consent, which may be withheld in Administrative Agent's sole and absolute discretion, request or consent to any changes in connection with any taxes or assessments of any kind affecting the Property (including any service payments and/or community development charges required to be paid by the Borrower pursuant to the terms of the Infrastructure Improvement Bond Documents).

8.29. Final Lien Waivers. Final lien waivers for each Construction Phase shall be submitted within ten (10) days following the date of making of the final disbursement for such Construction Phase.

8.30. Management Agreement. Borrower will not cause or consent to the Tenant or any other party entering into a management agreement for all or any part of Hickory Chase with any party other than the Manager pursuant to the Management Agreement.

8.31. Excess Indebtedness. The Borrower agrees to pay to Administrative Agent on demand the amount by which the total Obligations hereunder (excluding interest due and paid in the ordinary course as provided for herein), at any time, may exceed the total amount of the Loan advanced to the Borrower in accordance with the terms of the Loan Documents.

8.32. Prohibition Against Additional Recordings. Except for the Permitted Encumbrances, the Borrower will not record or permit to be recorded any document, instrument, agreement or other writing against the Land or Project Improvements without the prior written consent of Administrative Agent.

8.33. Single Purpose Entity/Separateness. Until such time as the Obligations under the Loan Documents shall be paid and satisfied in full, Borrower shall:

(a) Not merge into or consolidate with any individual, partnership, limited partnership, corporation, limited liability company, business trust, joint stock

company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature (each, a "Person") or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets (except as permitted in the Loan Documents) or change its legal structure, without in each case the Administrative Agent's consent;

(b) Not own any subsidiary or own, acquire or make any investment in, any Person unless such subsidiary has been formed exclusively to assist in accomplishing the Borrower's purposes and contain the same Single Purpose Entity provisions as are set forth herein;

(c) Not commingle its funds or assets with assets of any Person;

(d) Not pledge its assets with or for any Person except in connection with the Borrower's purposes;

(e) Not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than construction loans, purchase money debt, payment and performance bonds, loans of initial entrance deposits used to pay construction loans, letter of credit or bonds in favor of governmental or quasi-governmental entities and unsecured trade payables incurred in the ordinary course of business, all of which shall be related to the ownership, development, construction, management and operation of the Property;

(f) Maintain and/or prepare independent records, financial statements, books of account and bank accounts separate and apart from those of any other Person including Guarantor and Affiliates;

(g) Not enter into any contract or agreement with any of its members or Affiliates, Guarantor, or the Affiliates of any of its members or Guarantor, except pursuant to written, enforceable instruments upon terms and conditions that are intrinsically fair, commercially reasonable and substantially similar to those that would be available on an arms-length basis with third parties;

(h) Maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any of its members and Affiliates, the Affiliates of any of its members or any other Person;

(i) Not guaranty or become obligated for the debts of Guarantor or any Person nor hold itself out to be responsible for the debts of another Person or pay another Person's liabilities out of its own funds;

(j) Not make any loans or advances to any third party, including any of its members or Affiliates, or the Affiliates of any of its members nor permit any Affiliate to guaranty or pay its obligations, except for (A) working capital loans to tenants, and (B) loans or guaranties by Guarantor to construction lenders, contractors, or suppliers for the Property;

liabilities;

(k) Prepare and file separate tax returns and pay its own tax

(l) Hold itself out to the public as a legal Person separate and distinct from any other Person and shall conduct its business solely in its own name;

(m) Maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(n) Pay the salaries of its own employees, if any;

(o) Allocate fairly and reasonably any overhead for shared office space;

(p) Use separate stationery, invoices and checks; and

(q) Take reasonable measures to clarify any known misunderstanding regarding its separate identity.

8.34. Infrastructure Improvements. Borrower shall comply with each of the covenants and agreements of the Borrower set forth in Section 13.2 of this Agreement with respect to the Infrastructure Improvements, each of which is hereby incorporated into this Article VIII.

8.35. Hedge Agreement. The Borrower shall enter into a Hedge Agreement for at least \$30,000,000 of the Loan within six (6) months following the Closing Date on terms and with a counterparty acceptable to the Administrative Agent in its sole discretion.

ARTICLE IX

DEFAULT; REMEDIES

9.1. Default: An Event of Default shall be deemed to have occurred under this Agreement upon the occurrence of any one or more of the following events:

(a) The Borrower fails to make any payment of principal or interest under the Notes or this Agreement within ten (10) days after the due date thereof, including any payment required by the acceleration and/or mandatory prepayment provisions of the Notes;

(b) Any representation or warranty made by the Borrower, the Guarantor, the Tenant, or any other person or entity acting on behalf of any of the foregoing entities in any writing furnished to the Administrative Agent or the Lenders in connection with the Loan or this Agreement shall be (i) intentionally false or misleading or (ii) false or misleading in any material respect (whether or not intentional) as to any fact or circumstance which the Administrative Agent deems to have been material to the overall decision to extend credit, such materiality to be tested with reference to the date as of which such representation or warranty was made or deemed to have been made;

(c) The Borrower, the Guarantor, the Tenant or any other party thereto defaults in the performance or observance of any agreement, covenant, or condition set forth in this Agreement or any of the other Loan Documents which agreement, covenant or condition is not specifically referred to in any other paragraph of this Section 9.1, which default is not cured in full within a reasonable time but in no event to exceed thirty (30) days after the Administrative Agent gives the defaulting party written notice thereof; provided, however, that the Administrative Agent may, in its sole discretion, extend the cure period for any default upon the reasonable request of the defaulting party, in the event that the default cannot be cured within the time set forth in this Agreement and the defaulting party is diligently pursuing cure of the default;

(d) An Event of Default (if so defined) shall occur under any of the other Loan Documents, which shall not be cured in full within the time therein permitted;

(e) Failure by the Borrower to cause any Construction Phase of the Project to achieve Substantial Completion on or before its Completion Date, subject to an extension of up to sixty (60) days for failure caused by strike, war, acts of God, casualty or other act or omission beyond the Borrower's reasonable control to remedy or overcome, not including lack of funds (as long as Administrative Agent is in compliance with its funding obligations under this Agreement);

(f) Any survey required by the Administrative Agent during the period of construction shows any matters deemed by the Administrative Agent to be materially adverse, in the Administrative Agent's reasonable judgment, which matters have not previously been approved by the Administrative Agent and such matters are not approved or removed within thirty (30) days after notice thereof by the Administrative Agent to the Borrower; provided, however, that the Administrative Agent may, in its sole discretion, extend the cure period upon the reasonable request of the Borrower, in the event such matters cannot be removed within thirty (30) days and the Borrower is diligently pursuing removal of such matters;

(g) Suspension of work on any Construction Phase of the Project for which work has commenced for a period in excess of thirty (30) consecutive days (except for suspensions caused by strike, war, acts of God, casualty or any other act or omission beyond the Borrower's reasonable control to remedy or overcome, not including lack of funds as long as Administrative Agent is in compliance with its funding obligations under this Agreement), or the reasonable determination by the Administrative Agent given in writing to the Borrower that regardless of the cause of any suspensions, the Project Improvements in such Construction Phase cannot be completed on or before such Construction Phase's Completion Date;

(h) Failure by the Borrower to satisfy any conditions of its right to receive a disbursement hereunder for a period in excess of thirty (30) days from the date the requisition therefor is received by the Administrative Agent;

(i) Any violation of the provisions of Sections 8.9, 8.11, 8.12, 8.13, 8.14, 8.19, 8.20 or 8.24 of this Agreement;

(j) Any violation of the provisions of Sections 8.4, 8.10 and 8.31 which are not cured within thirty (30) days after the occurrence of such violation and any violation of Section 8.32 which is not cured within fifteen (15) days after Administrative Agent gives Borrower written notice thereof;

(k) The entry of one or more judgments in excess of \$250,000 in the aggregate against the Borrower, the Guarantor or the Tenant and the failure to satisfy such judgment within thirty (30) days (either by payment or by the filing of a supersedeas bond) unless such judgment has been appealed in good faith and the legal effect of such appeal is to stay the obligation to satisfy such judgment until resolution of the appeal;

(l) The Borrower executes a chattel mortgage or other security agreement with respect to any materials, fixtures or articles used in the construction or equipment of the Project Improvements, or any such materials, fixtures or articles are purchased pursuant to any conditional sales contract or otherwise so that the ownership thereof will not vest unconditionally in the Borrower free from liens and security interests upon being made a part of the Project, and any such liens or security interests (including mechanics' liens) shall not be discharged or canceled within thirty (30) days;

(m) The Borrower, the Guarantor, or the Tenant petitions or applies to any court or tribunal for, or consents to, the appointment of, or taking possession of itself or of any substantial part of its assets by, a trustee, receiver, custodian, liquidator or similar official (all such actions being hereinafter referred to as "Receivership Actions"), or any such person or entity commences any proceedings under United States or State bankruptcy laws (including reorganization, arrangement, and other debtor relief proceedings) now or hereafter in effect (collectively, "Bankruptcy Laws");

(n) A petition or application is filed in a Receivership Action or in an involuntary case under Bankruptcy Laws, or any Receivership Action or involuntary case under Bankruptcy Laws is otherwise commenced, against the Borrower, the Guarantor, or the Tenant and any of them by any act indicates its approval thereof or acquiescence therein; or an order for relief is entered against the Borrower, the Guarantor or the Tenant in an involuntary case under Bankruptcy Laws, as now or hereafter in effect; or an order, judgment, or decree is entered appointing any trustee, receiver, custodian, liquidator, or similar official in any Receivership Action against the Borrower, the Guarantor or the Tenant, and such order, judgment or decree remains unstayed and in effect for more than forty-five (45) days; or (regardless of whether an order for relief or other judgment or decree is entered) any petition or application against the Borrower, the Guarantor or the Tenant in a Receivership Action or in an involuntary case under Bankruptcy Laws is not dismissed within ninety (90) days of filing;

(o) The occurrence of any condition or situation which, in the Administrative Agent's sole judgment, constitutes a material adverse change with respect to the Project, the Borrower, the Guarantor, the Manager, the Developer, the Tenant or the Loan, including, but not limited to, cost overruns (not funded by the Guarantor within thirty (30) days) which exceed the contingency allowances provided for in the Borrower's budget with respect to any Construction Phase of the Project;

(p) If at any time the number of Applicants certified pursuant to Section 4.4 of this Agreement falls below sixty-five percent (65%) of the Units in any one or more Residential Construction Phases for which the Lenders have advanced funds and remains below 65% for a period of sixty (60) days;

(q) The occurrence of any default, and expiration of any stated grace or cure period, or the occurrence of any Event of Default (so defined) pursuant to any of the Community Documents;

(r) At any time after the date on which a Certificate of Occupancy is issued for one or more Units in the First Residential Construction Phase, (i) the failure of the Tenant to move any one or more Residents into Continuing Care Units at an average rate (tested at all times cumulatively from the date on which such Certificate of Occupancy is issued) of at least ten (10) moves per month, or (ii) the failure of the Tenant to move any one or more Residents into Continuing Care Units within four (4) months of the date a Certificate of Occupancy for such Unit or Units has been issued and a Resident has made all financial arrangements necessary for such move and otherwise stands ready and willing to move into such Unit;

(s) The failure of the Tenant to make a loan in the full amount contemplated under the Community Loan Documents with respect to a Continuing Care Unit at the time a Resident occupies a Continuing Care Unit, whether or not such failure constitutes a default or Event of Default under the Community Loan Documents; provided, however, that amounts payable from promissory notes by Residents need not be paid until such promissory notes are paid;

(t) The occurrence of any default, and expiration of any stated grace or cure period, or the occurrence of any Event of Default (so defined), in connection with any indebtedness of the Borrower, the Guarantor or the Tenant in excess of Two Hundred Fifty Thousand Dollars (\$250,000), individually or in the aggregate;

(u) Failure to provide evidence of all necessary regulatory approvals of the forms of Community Documents approved by Administrative Agent within one hundred eighty (180) days after the date of this Agreement, or within a reasonable time after any change in the Community Documents, to the extent any change requires such an approval;

(v) The occurrence of any default, and expiration of any stated grace or cure period, or the occurrence of any Event of Default (so defined), pursuant to any of the Subordinated Documents, including, but not limited to, the Borrower's Organizational Documents;

(w) Any reduction in the combined, unrestricted Liquid Assets of the Guarantor below Twenty-Four Million Dollars (\$24,000,000), or such greater amount as may be required by the provisions of Section 8.18 of this Agreement, which is not cured within the period provided in Section 9.1(c) above;

(x) Any reduction in the combined, unrestricted Liquid Assets of the Borrower and the Guarantor below an amount equal to eighty-five percent (85%) of the amount required to be maintained by the provisions of Section 8.18 of this Agreement;

(y) The occurrence of any default, and expiration of any stated grace or cure period, or the occurrence of any Event of Default (so defined) pursuant to any of the documents executed and delivered in connection with the Mezzanine Financing;

(z) The occurrence of any of the special events of default set forth in Section 13.3 of this Agreement or the occurrence of any event of default and the expiration of all applicable notice and cure periods or Event of Default (so defined) pursuant to any of the Infrastructure Improvement Bond Documents;

(aa) The Guarantor engages in the development of more than five (5) new retirement communities in any one-year period or engages in the development of more than twelve (12) new retirement communities in any three-year period without the prior written consent of the Administrative Agent;

(bb) Failure of the Borrower or the Guarantor to comply with the terms of any liquidity covenant under any agreement with any other lender, regardless whether such failure constitutes a default or Event of Default (so defined) under any such agreement and regardless whether any other lender declares a default or Event of Default (so defined) under any such agreement or pursues any remedies as a result thereof; or

(cc) If any monetary claim, other than a claim for accrued but unpaid interest, is made by the lender under the Limited Guaranty executed by Erickson Retirement Communities, LLC as a part of the Mezzanine Financing.

9.2. Remedies: The Borrower acknowledges and agrees that the failure of one or more but less than all of the Lenders to comply with their several funding obligations under this Agreement shall not limit or impair the rights of any of the Lenders who are in compliance with their several funding obligations in declaring any Event of Default or in pursuing any remedies provided for herein or under any of the other Loan Documents as a result of such Event of Default. The Borrower further acknowledges and agrees that the Borrower may, therefore, be required to contribute additional funds to the Project as a result of a failure of one or more but less than all of the Lenders to comply with their several funding obligations under this Agreement, in order to avoid the declaration of an Event of Default and/or the exercise of remedies by the complying Lenders. Upon the occurrence of any curable Default, the obligation of the Lenders to make any further disbursements under the Loan, including the obligation to issue additional Letters of Credit, shall be suspended pending cure of such Default. Upon the occurrence of any Event of Default, the obligation of the Lenders to make any further disbursements under the Loan, including the obligation to issue additional Letters of Credit, shall terminate. The Administrative Agent may, upon the occurrence of an Event of Default, at the option of the Administrative Agent but subject to any required consent of the Lenders pursuant to Section 11 hereof, and without further notice or demand, declare the Notes to be immediately due and payable in full, together with all interest accrued thereon, without presentment, demand, protest or notice, all of which the Borrower hereby waives. Upon such declaration, the Lenders through the Administrative Agent may proceed to exercise any and all remedies available to them under this Agreement, the other Loan Documents, or under applicable law, all of which rights and remedies shall be cumulative and may be exercised concurrently by the Lenders through the Administrative Agent.

Notwithstanding the prior provisions of this Section 9.2, for so long as all other lenders referred to in Section 9.1(bb) are limited to the single remedy of prohibiting further construction starts as a result of a default in liquidity requirements described in such Section 9.1(bb), the Lenders and the Administrative Agent shall also be limited to such single remedy for a breach of the provisions of Section 9.1(bb).

9.3. Completion of Project Improvements: Upon the occurrence of an Event of Default and notice thereof to the Borrower, the Lenders may, through the Administrative Agent, in addition to any other remedies available to them and in the sole discretion of the Administrative Agent, (i) enter upon the Land and complete the Project Improvements in accordance with the Plans and Specifications with such changes therein as the Administrative Agent may deem appropriate, and employ watchmen to protect the Property, (ii) at any time discontinue any work commenced in respect of the Project, (iii) assume any or all contracts covered by the Assignment of Project Documents or any other contracts made by the Borrower relating to the construction or equipping of the Project Improvements and take over and use all or any part of the labor, materials, supplies and equipment contracted for by the Borrower, (iv) engage builders, contractors, and others for the purpose of furnishing labor, materials and equipment in connection with the Project, and (v) pay, settle or compromise all bills or claims that may become liens against the Property. The Borrower shall be liable to the Administrative Agent and the Lenders for all sums paid or incurred by the Administrative Agent or the Lenders to construct and equip the Project Improvements whether the same shall be paid or incurred pursuant to the provisions of this Section 9.3 or otherwise, and all payments made or liabilities incurred by the Administrative Agent or Lenders hereunder of any kind whatsoever shall be paid by the Borrower to the Administrative Agent upon demand by the Administrative Agent with interest at the rate provided in the Notes. For the purpose of exercising the rights granted by this Section, the Borrower hereby irrevocably constitutes and appoints the Administrative Agent its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of the Borrower.

9.4. Confession of Judgment; Jurisdiction and Venue. At any time after the occurrence of any Event of Default, the Borrower authorizes any attorney admitted to practice before any court of record in the United States or any clerk of any court of record to appear for it and confess judgment on behalf of the Borrower against the Borrower in favor of the Administrative Agent for the benefit of the Lenders for and in the full amount due in connection with the Loan plus attorneys' fees of ten percent (10%) of such amount up to a maximum for attorneys' fees of Three Hundred Thousand Dollars (\$300,000). (The foregoing provision shall not limit the obligation of the Borrower to pay all reasonable attorneys' fees incurred by the Administrative Agent and the Lenders). The Administrative Agent and the Lenders agree that in attempting to satisfy or enforce any judgment by confession obtained against the Borrower in connection with the Loan, the Administrative Agent and the Lenders shall not seek or demand, solely with respect to attorney's fees incurred by the Administrative Agent and the Lenders in connection with the Notes, any amounts in excess of the actual amount of reasonable attorney's fees charged or billed to the Administrative Agent and the Lenders. The Administrative Agent and the Lenders agree not to sell or assign any judgment obtained pursuant to this Section 9.4 unless the assignee agrees to be bound by the provisions of the immediately preceding sentence. In any action brought by the Administrative Agent under this Agreement, the Borrower consents to the exercise of personal jurisdiction over it by the courts of the State of Ohio and agrees that

venue shall be proper in any County of the State of Ohio in addition to any other court where venue may be proper. The Borrower waives and releases, to the extent permitted by law, all errors and all rights of exemption, appeal, stay of execution, inquisition and extension upon any levy on real estate or personal property to which the Borrower may otherwise be entitled under the laws of the United States of America or of any State or Possession of the United States of America now in force or which may hereafter be passed, as well as the benefit of any and every statute, ordinance, or rule of court which may be lawfully waived conferring upon the Borrower any right or privilege of exemption, stay of execution, or supplementary proceedings, or other relief from the enforcement or immediate enforcement of a judgment or related proceedings on a judgment; provided, however, that the foregoing waiver does not extend to the Borrower's rights (if any) under applicable Ohio rules to file a motion to open, vacate or modify a judgment by confession in good faith and within the timeframes permitted by such rules, which rights the Borrower does not waive. The authority and power to appear for and enter judgment against the Borrower shall be exercisable concurrently in one or more jurisdictions and shall not be exhausted or extinguished by one or more exercises thereof, or by any imperfect exercise thereof or by any judgment entered pursuant thereto. Such authority and power may be exercised on one or more occasions, from time to time, in the same or different jurisdictions, as often as the Administrative Agent shall deem necessary or desirable.

9.5. Financing Defaults and Prepayment of Infrastructure Improvement Bonds. Upon the occurrence of an Event of Default as provided under Section 9.1(z) of this Agreement, the Administrative Agent may, as set forth in Section 13.4 of this Agreement, in addition to any other remedies available to it and in its sole discretion, advance Loan proceeds in order to complete the Infrastructure Improvements, to cure any default in connection with the Infrastructure Improvement Financing or, at Administrative Agent's option, redeem the Infrastructure Improvement Bonds. The Borrower shall be liable to the Administrative Agent for all sums paid or incurred by the Administrative Agent to complete the Infrastructure Improvements, to cure any default in connection with the Infrastructure Improvement Financing or to redeem the Infrastructure Improvement Bonds, and all payments made or liabilities incurred by the Administrative Agent hereunder of any kind whatsoever shall be paid by the Borrower to the Administrative Agent upon demand with interest at the rate provided in the Notes. For the purpose of exercising the rights granted by this Section, the Borrower hereby irrevocably constitutes and appoints the Administrative Agent its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of Borrower which Lender may deem necessary or appropriate to effectuate such a cure or redemption.

ARTICLE X

MISCELLANEOUS

10.1. Expenses: The Borrower agrees, whether or not the transactions herein contemplated shall be consummated, to pay and save the Administrative Agent and the Lenders harmless against liability for the payment of all reasonable expenses arising in connection with such transactions, including all stamp and other taxes (including tangible personal property taxes) which may be payable in respect of the execution and delivery of any of the Loan Documents, or the execution, delivery, filing or recording of the Mortgage and financing

statements relating thereto, and any and all supplements and/or modifications thereto, and all reasonable fees and expenses of counsel for the Administrative Agent and the Lenders in connection herewith (including reasonable legal fees and any other fees incurred by the Administrative Agent and the Lenders subsequent to Closing in connection with the disbursement, renewal or collection of the Loan). The Borrower's obligation under this Section 10.1 shall survive the transfer of the Loan by the Lenders and the payment of all indebtedness hereunder.

10.2. Nonassignability by Borrower/Lender Assignability:

(a) Borrower shall not assign or attempt to assign its rights under this Agreement and any purported assignment shall be void. Without the prior written consent of Administrative Agent, in Administrative Agent's sole discretion, Borrower shall not suffer or permit (a) any change in the management (whether direct or indirect) of the Project or of Borrower, or (b) any Transfer. Borrower shall provide the Administrative Agent with notice of any transfer of any minority interest in any entity which directly or indirectly holds an interest in, or directly or indirectly controls, Borrower.

(b) In addition to the prohibitions set forth in subsection (a) above, Borrower shall not assign, sell, pledge, encumber, transfer, hypothecate or otherwise dispose of its interest or rights in this Agreement or in the Project, or attempt to do any of the foregoing or suffer any of the foregoing, nor shall any party owning a direct or indirect interest in Borrower assign, sell, pledge, mortgage, encumber, transfer, hypothecate or otherwise dispose of any of its rights or interest (direct or indirect) in Borrower, attempt to do any of the foregoing or suffer any of the foregoing, if such action would cause the Loan, or the exercise of any of the Lenders' rights in connection therewith, to constitute a prohibited transaction under ERISA or the Internal Revenue Code or otherwise result in any Lender being deemed in violation of any applicable provision of ERISA. Borrower agrees to indemnify and hold the Administrative Agent and each Lender free and harmless from and against all losses, costs (including attorneys' fees and expenses), taxes, damages (including consequential damages) and expenses the Administrative Agent or such Lender may suffer by reason of the investigation, defense and settlement of claims and in obtaining any prohibited transaction exemption under ERISA necessary or desirable in the Administrative Agent or any Lender's sole judgment or by reason of a breach of the foregoing prohibitions. The foregoing indemnification shall be a recourse obligation of Borrower and shall survive repayment of the Notes, notwithstanding any limitations on recourse contained herein or in any of the Loan Documents.

(c) (i) Each Lender shall have the right to assign, transfer, sell, negotiate, pledge or otherwise hypothecate this Agreement and any of its rights and security hereunder and under the other Loan Documents to any other Eligible Assignee with the prior written consent of the Administrative Agent and with the prior written consent of Borrower, which consents by the Administrative Agent and the Borrower shall not be unreasonably withheld, conditioned or delayed (provided that no consent of Borrower shall be required if the Eligible Assignee is also a Lender or if an Event of Default then exists) and no consent of the Administrative Agent shall be required if the Eligible Assignee is also a Lender; provided, however, that (i) the parties to each such assignment shall execute and deliver to Administrative Agent, for its approval and acceptance, an Assignment and Assumption in substantially the form attached hereto as Schedule

XIV, (ii) each such assignment shall be of a constant, and not a varying, percentage of the assigning Lender's rights and obligations under this Agreement, (iii) if the potential assignee is not already a Lender hereunder, at least ten (10) days prior to the date of the assignment, the potential assignee shall deliver to Administrative Agent the fully completed Patriot Act and OFAC forms attached as Schedule XV hereto and such other information as Administrative Agent shall require to successfully complete the Administrative Agent's Patriot Act Customer Identification Process and OFAC Review Process, (iv) unless the Administrative Agent and, so long as no Event of Default exists, Borrower otherwise consent, the aggregate amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment shall in no event be less than Five Million Dollars (\$5,000,000), (v) the Administrative Agent shall receive from the assigning Lender a processing fee of Three Thousand Five Hundred Dollars (\$3,500), and (vi) if the assignment is less than the assigning Lender's entire interest in the Loan, the assigning Lender must retain at least a Five Million Dollar (\$5,000,000) interest in the Loan. The Administrative Agent may designate any Eligible Assignee accepting an assignment of a specified portion of the Loan to be a Co-Administrative Agent, an "Arranger" or similar title, but such designation shall not confer on such Assignee the rights or duties of the Administrative Agent. Upon such execution, delivery, approval and acceptance, and upon the effective date specified in the applicable Assignment and Assumption, (a) the Eligible Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Assumption, have the rights and obligations of a Lender hereunder and under the other Loan Documents, and Borrower hereby agrees that all of the rights and remedies of Lenders in connection with the interest so assigned shall be enforceable against Borrower by an Eligible Assignee with the same force and effect and to the same extent as the same would have been enforceable but for such assignment, and (b) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Assumption, relinquish its rights and be released from its obligations hereunder and thereunder.

(ii) By executing and delivering an Assignment and Assumption, the assigning Lender thereunder and the Eligible Assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) except as provided in such Assignment and Assumption, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any other Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document or any other instrument or document furnished in connection therewith; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its Obligations under any Loan Document or any other instrument or document furnished in connection therewith; (iii) such Eligible Assignee confirms that it has received a copy of this Agreement together with such financial statements, Loan Documents and other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into the Assignment and Assumption and to become a Lender hereunder; (iv) such Eligible Assignee will, independently and without reliance upon Administrative Agent, the assigning Lender or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such Eligible Assignee appoints and authorizes the Administrative

Agent to take such action as the Administrative Agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to Administrative Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto; and (vi) such Eligible Assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(iii) Administrative Agent shall maintain a copy of each Assignment and Assumption delivered to and accepted by it and shall record in its records the names and address of each Lender and the Commitment of, and Percentage of the Loan owing to, such Lender from time to time. Borrower, the Administrative Agent and Lenders may treat each entity whose name is so recorded as a Lender hereunder for all purposes of this Agreement.

(iv) Upon receipt of an Assignment and Assumption executed by an assigning Lender and an Eligible Assignee, Administrative Agent shall, if such Assignment and Assumption has been properly completed and consented to if required herein, accept such Assignment and Assumption, and record the information contained therein in its records, and the Administrative Agent shall use its best efforts to give prompt notice thereof to Borrower (provided that neither the Administrative Agent nor the Lenders shall be liable for any failure to give such notice).

(v) Borrower shall use reasonable efforts to cooperate with Administrative Agent and each Lender in connection with the assignment of interests under this Agreement or the sale of participations herein.

(vi) Anything in this Agreement to the contrary notwithstanding, and without the need to comply with any of the formal or procedural requirements of this Agreement, including this Section, any Lender may at any time and from time to time pledge and assign all or any portion of its rights under all or any of the Loan Documents to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from its obligations hereunder. To facilitate any such pledge or assignment, the Administrative Agent shall, at the request of such Lender, enter into a letter agreement with the Federal Reserve Bank in, or substantially in, the form of the exhibit to Appendix C to the Federal Reserve Bank of New York Operating Circular No. 12.

(vii) Anything in this Agreement to the contrary notwithstanding, any Lender may assign all or any portion of its rights and obligations under this Agreement to another branch or affiliate of such Lender without first obtaining the approval of any Administrative Agent or the Borrower, provided that (i) such Lender remains liable hereunder unless the Borrower and Administrative Agent shall otherwise agree, (ii) at the time of such assignment such Lender is not a Defaulting Lender, (iii) such Lender gives the Administrative Agent and Borrower at least fifteen (15) days prior written notice of any such assignment; (iv) the parties to each such assignment execute and deliver to Administrative Agent an Assignment and Assumption, and (v) the Administrative Agent receives from the assigning Lender a processing fee of One Thousand Five Hundred Dollars (\$1,500).

(viii) Each Lender shall have the right, without the consent of the Borrower, to sell participations to one or more Eligible Assignees in or to all or a portion of its rights and obligations under the Loan and the Loan Documents; provided, however, that (i) such Lender's obligations under this Agreement (including without limitation its Commitment to Borrower hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and with regard to any and all payments to be made under this Agreement and (iv) the holder of any such participation shall not be entitled to voting rights under this Agreement or the other Loan Documents (but such holder may contract with the Lender selling such Eligible Assignee its interest in such Lender's share of the Loan as to voting of such Lender's interest under Section 11.6(b) [but not under any other section of this Agreement], provided that any such agreement by a Lender shall bind only such Lender alone and not Borrower, the other Lenders or the Administrative Agent).

(ix) No Eligible Assignee of any rights and obligations under this Agreement shall be permitted to subassign such rights and obligations. No participant in any rights and obligations under this Agreement shall be permitted to sell subparticipations of such rights and obligations.

(x) Borrower acknowledges and agrees that Lenders may provide to any Eligible Assignee or participant originals or copies of this Agreement, any other Loan Document and any other documents, instruments, certificates, opinions, insurance policies, letters of credit, reports, requisitions and other materials and information of every nature or description, and may communicate all oral information, at any time submitted by or on behalf of Borrower or received by any Lender in connection with the Loan or with respect to Borrower, provided that prior to any such delivery or communication, such Eligible Assignees or participants shall agree to preserve the confidentiality of any of the foregoing to the same extent that such Lender agreed to preserve such confidentiality. In order to facilitate assignments to Eligible Assignees and sales to Eligible Assignees, Borrower shall execute such further documents, instruments or agreements as Lenders may reasonably require; provided, that Borrower shall not be required (i) to execute any document or agreement which would materially decrease its rights, or materially increase its obligations, relative to those set forth in this Agreement or any of the other Loan Documents (including financial obligations, personal recourse, representations and warranties and reporting requirements), or (ii) to expend more than incidental sums of money or incidental administrative time for which it does not receive reasonable reimbursement in order to comply with any requests or requirements of any Lender in connection with such assignment or sale arrangement. In addition, Borrower agrees to cooperate fully with Lenders in the exercise of Lenders' rights pursuant to this Section, including providing such information and documentation regarding Borrower as any Lender or any potential Eligible Assignee or participant may reasonably request and to meet with potential Eligible Assignees.

10.3. Liability of Lenders: Anything in this Agreement contained to the contrary notwithstanding, the obligations of each Lender to Borrower under this Agreement are several and not joint and several; each Lender shall only be obligated to fund its Percentage of each disbursement to be made hereunder up to the amount of its Commitment. During any time, and

only during such time, as Administrative Agent is the sole Lender and has not assigned any portion or portions of its interest in the Loan to another Lender pursuant to an Assignment and Assumption Agreement, Administrative Agent in its individual capacity shall be liable for all of the obligations of the Lender under this Agreement and the other Loan Documents. From and after the date that Administrative Agent as the sole Lender assigns any portion or portions of its interest in the Loan to another Lender pursuant to an Assignment and Assumption Agreement, then Administrative Agent shall act as the administrative agent on behalf of itself as a Lender and the other Lenders.

10.4. No Partnership, Joint Venture, Agency: The Borrower and the Lenders acknowledge that the relationship between them created hereby and by the other Loan Documents is that of debtor and creditor and is not intended to be and shall not in any way be construed to be that of a partnership, joint venture, or principal and agent; and that the activities of the Administrative Agent and the Lenders in connection with the construction and equipment of the Project Improvements and disbursement of the Loan shall not be deemed to make the Administrative Agent or the Lenders a partner, joint venturer, or principal or agent of the Borrower, but rather shall be deemed solely for the purpose of protecting the Lenders' security for the Loan.

10.5. Financing Sign on Property, Publicity: The Borrower agrees that the Administrative Agent may, at the expense of the Lenders, place signs at the Property at any locations selected by the Administrative Agent and approved by Borrower, which approval shall not be unreasonably withheld by the Borrower, until completion of construction of the Project, and to prepare and furnish news releases at any time to the news media or any other publications selected by the Administrative Agent advertising the fact that financial assistance for the Project has been obtained from the Lenders.

10.6. Notices: All notices, requests and demands upon the respective parties hereto shall be deemed to have been given or made when delivered against hand receipt or five (5) days after deposit in the United States mail, postage prepaid, and addressed as follows:

(1) If to Lenders: c/o KeyBank National Association
127 Public Square
Cleveland, Ohio 44114
Attention: Charles J. Shoop, Senior Vice President

with a copy to: Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 18th Floor
Baltimore, Maryland 21202-3268

(2) If to Borrower: Columbus Campus, LLC
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: Chief Financial Officer

with a copy to:

General Counsel
Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228

(3) If to Administrative Agent:

KeyBank National Association
127 Public Square
Cleveland, Ohio 44114
Attention: Wayne D. Horvath, Portfolio Manager

with a copy to:

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 18th Floor
Baltimore, Maryland 21202-3268

or to such other address and addressee in respect of any party as such party shall notify the others in writing.

10.7. WAIVER OF JURY TRIAL: THE BORROWER, THE ADMINISTRATIVE AGENT, AND EACH OF THE LENDERS HEREBY VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THE LOAN, THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. THIS WAIVER APPLIES TO ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS AND PROCEEDINGS, INCLUDING PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY THE BORROWER, THE ADMINISTRATIVE AGENT, AND EACH OF THE LENDERS WHO ACKNOWLEDGE THAT THEY HAVE BEEN REPRESENTED IN THE EXECUTION OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF THEIR OWN FREE WILL, AND THAT THEY HAVE HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. THE BORROWER, THE ADMINISTRATIVE AGENT, AND EACH OF THE LENDERS FURTHER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION.

10.8. Intentionally Deleted:

10.9. Survival of Agreements: All agreements, covenants, representations and warranties of the Borrower made in this Agreement shall survive the execution and delivery of this Agreement and the other Loan Documents, and the making of all disbursements hereunder, regardless of any investigation made by or on behalf of the Lenders.

10.10. Entire Agreement; Successors and Assigns; Time of the Essence: This Agreement and the other Loan Documents contain the entire terms of the agreement with respect to the Loan, and no representations, inducements, promises or agreements between the Borrower

and the Lenders not set forth herein or in the other Loan Documents shall be of any force or effect. This Agreement shall be binding upon and shall inure to the benefit of the Borrower, the Administrative Agent and each of the Lenders and their respective successors and assigns (provided, with respect to the Borrower, that such successors and assigns are permitted hereunder), whether so expressed or not. Time is of the essence under this Agreement.

10.11. Severability: In case any one or more provisions contained in this Agreement or the other Loan Documents should be deemed invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall in no way be affected or impaired thereby and shall be enforceable to the maximum extent permitted by law.

10.12. Descriptive Headings: The headings of the articles, sections and paragraphs of this Agreement are for the convenience of reference only, and are not considered to be a part hereof and shall not limit or otherwise affect any of the terms hereof.

10.13. Governing Law: This Agreement and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Ohio (excluding principles of conflicts of law), both in interpretation and performance.

10.14. Discretion of the Lender: Anything in the Loan Documents to the contrary notwithstanding, any approval or consent of the Lenders or the Administrative Agent required to be obtained under the Loan Documents, and any other matter required to be acceptable to the Lenders or the Administrative Agent or determined to be to the Lenders' or Administrative Agent's satisfaction under the Loan Documents, or any other provision of the Loan Documents allowing the Lenders or the Administrative Agent any discretion or imposing less than an absolute requirement on the Lenders or the Administrative Agent, shall be given, accepted or determined, or not, in the Lender's or the Administrative Agent's sole and absolute discretion as the case may be, or shall otherwise be interpreted to permit the exercise of the Lenders' or Administrative Agent's sole and absolute discretion, except where stated to be subject to the Lenders' or Administrative Agent's "reasonable" discretion, in which case the Lenders' or Administrative Agent's judgment, as the case may be, with respect to such matter shall be reasonable.

10.15. Use of Certain Defined Terms: Certain defined terms are not used in this Agreement, but are nonetheless defined here for convenience and are used in the other Loan Documents with reference to the definitions contained herein. The fact that certain of the Bank Accounts are described by the name "Collateral Account" shall not alter the fact that each of the Bank Accounts has been pledged to the Administrative Agent as collateral for the Loan on the terms set forth in the Loan Documents. The following defined terms used in this Agreement and in the other Loan Documents refer to both the account itself and all rights therein as related thereto, including all rights in and to all balances, rights of withdrawal, choses in action and proceeds: Borrower Collateral Account, Lockbox Account, Borrower Operating Account, HC Operating Account and Trust Account.

10.16. Approval of Community Documents. No approval by the Administrative Agent or Lenders, either express or implied, of the Community Documents or any amendments thereto

shall have the effect of making any provision thereof binding upon the Administrative Agent or Lenders unless the Administrative Agent or Lenders shall have joined as a party therein with the expressed intention of becoming bound thereby.

10.17. Counterparts. This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same document.

ARTICLE XI

THE ADMINISTRATIVE AGENT

11.1. Appointment. KeyBank National Association is hereby appointed as Administrative Agent hereunder and under each other Loan Document, and each Lender hereby irrevocably authorizes the Administrative Agent to act as agent for Lender and to take such actions as Lender is obligated or entitled to take under the provisions of this Agreement and the other Loan Documents. Administrative Agent agrees to act as such upon the express conditions contained in this Article in substantially the same manner that it would act in dealing with a loan held for its own account. Administrative Agent shall not have a fiduciary relationship with respect to any Lender by reason of this Agreement.

The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders, and Borrower shall not have any rights to rely on or enforce any of the provisions hereof except as provided in Section 11.2 below. In performing its functions and duties under this Agreement, the Administrative Agent shall act solely as agent of Lender and does not assume, and shall not be deemed to have assumed, any obligations toward or relationship of agency or trust with or for the Borrower.

11.2. Reliance on Administrative Agent. All acts of and communications by the Administrative Agent, as agent for the Lenders, shall be deemed legally conclusive and binding; and Borrower or any third party (including any court) shall rely on any and all communications or acts of the Administrative Agent with respect to the exercise of any rights or the granting of any consent, waiver or approval on behalf of a Lender in all circumstances where an action by such Lender is required or permitted pursuant to this Agreement or the provisions of any other Loan Document or by applicable law without the right or necessity of making any inquiry of any individual Lender as to the authority of Administrative Agent with respect to such matter. In no event shall any of the foregoing limit the rights or obligations of any Lender with respect to any other Lender pursuant to this Article XI.

11.3. Powers. The Administrative Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Administrative Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto or are otherwise necessary or desirable in connection with the administration of the Loan, and may exercise all other powers of Lender as are not made subject to the consent of the Required Lenders pursuant to Section 11.6(a) or to the consent of all Lenders pursuant to Section 11.6(b). Without limiting the foregoing, the Administrative Agent may consent to or execute easements, plats, dedications, release of minor portions of the collateral and similar documents. The Administrative Agent shall not be considered, or be deemed, a separate agent of the Lenders hereunder, but is, and

shall be deemed, acting in its contractual capacity as Administrative Agent, exercising such rights and powers under the Loan Documents as are specifically delegated to the Administrative Agent or Administrative Agent is otherwise entitled to take hereunder. Administrative Agent shall have no implied duties to the Lenders, or any obligation to the Lenders to take any action except any action specifically provided by the Loan Documents to be taken by the Administrative Agent.

11.4. Disbursements:

(a) At least one (1) Business Day (by 11:00 a.m. Cleveland time) prior to each date a disbursement of the Loan is to be made hereunder pursuant to this Agreement (or at least two (2) LIBOR Business Days [by 11:00 a.m. Cleveland time] for any disbursements to be made at the Adjusted LIBOR Rate (as defined in the Notes)), the Administrative Agent shall notify each Lender of the proposed disbursement. Each Lender shall make available to Administrative Agent (or the funding Lender or entity designated by the Administrative Agent), the amount of such Lender's Percentage of such disbursement (with respect to such Lender, such amount being referred to herein as an "Advance") in immediately available funds not later than 11:00 a.m. (Cleveland time) on the date such disbursement is to be made (such date being referred to herein as a "Funding Date"). Unless the Administrative Agent shall have been notified by any Lender prior to such time for funding in respect of any Advance that such Lender does not intend to make available to the Administrative Agent such Lender's Advance, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent and the Administrative Agent, in its sole discretion, may, but shall not be obligated to, make available to Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender on or prior to the respective Funding Date, such Lender agrees to pay and Borrower agrees to repay to Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to Borrower until the date such amount is paid or repaid to Administrative Agent, at (A) in the case of such Lender, the Federal Funds Effective Rate, and (B) in the case of Borrower, the interest rate applicable at the time to a disbursement made on such Funding Date. If such Lender shall pay to Administrative Agent such corresponding amount, such amount so paid shall constitute such Lender's Advance, and if both such Lender and Borrower shall have paid and repaid, respectively, such corresponding amount, Administrative Agent shall promptly return to Borrower such corresponding amount in same day funds.

(b) Requests by the Administrative Agent for funding by the Lenders of disbursements of the Loan will be made by facsimile. Each Lender shall make its Advance available to the Administrative Agent in dollars and in immediately available funds to such Lender and account as the Administrative Agent may designate, not later than Noon (Cleveland time) on the Funding Date. Nothing in this Section 11.4 shall be deemed to relieve any Lender of its obligation hereunder to make any Advance on any Funding Date, nor shall any Lender be responsible for the failure of any other Lender to perform its obligations to make any Advance hereunder, and the Commitment of any Lender shall not be increased or decreased as a result of the failure by any other Lender to perform its obligation to make any Advances hereunder.

(c) As soon as practical Administrative Agent will promptly forward to each Lender copies of all documents required to be submitted by Borrower in connection with any Notice of Borrowing and cause the Lender's Consultant to forward to each Lender a copy of the Lender's Consultant's most recent inspection. Delivery of the foregoing documents and the Lender's Consultant's inspection report shall not be a condition to funding any Advance.

11.5. Distribution and Apportionment of Payments

(a) Subject to Section 11.5(b), payments actually received by Administrative Agent for the account of the Lenders shall be paid to them promptly after receipt thereof by Administrative Agent, but in any event within one (1) Business Day, provided that, if any such payments are not distributed to the Lenders within one (1) Business Day after Administrative Agent's receipt thereof, Administrative Agent shall pay to such Lenders interest thereon, at the lesser of (i) the Federal Funds Effective Rate and (ii) if the applicable payment represents repayment of a portion of the principal of the Loan, the rate of interest applicable to such portion of the Loan, from the date of receipt of such funds by Administrative Agent until such funds are paid in immediately available funds to such Lenders provided such funds are received by Administrative Agent not later than 11:00 A.M. (Cleveland time) on the date of receipt. All payments of principal and interest in respect of the Loan, all payments of the fees described in this Agreement (but not in any separate fee letter except to the extent expressly set forth therein), and all payments in respect of any other Obligations of Borrower under the Loan Documents shall be allocated among such of Lenders as are entitled thereto, in proportion of their respective Percentages or otherwise as provided herein in the other Loan Documents, as the case may be. The Administrative Agent shall distribute to each Lender at its primary address set forth herein or in its Assignment and Assumption, or at such other address as a Lender may request in writing, such funds as it may be entitled to receive, provided that the Administrative Agent shall in any event not be bound to inquire into or determine the validity, scope or priority of any interest or entitlement of any Lender and may suspend all payments and seek appropriate relief (including without limitation instructions from the Required Lenders, or all Lenders, as applicable, or an action in the nature of interpleader) in the event of any doubt or dispute as to any apportionment or distribution contemplated hereby. The order of priority herein is set forth solely to determine the rights and priorities of the Lenders as among themselves and may at any time or from time to time be changed by the Lenders as they may elect, in writing, without necessity of notice to or consent of or approval by Borrower.

(b) If a Lender (a "Defaulting Lender") defaults in making any Advance or paying any other sum payable by it hereunder, such sum together with interest thereon at the Default Rate from the date such amount was due until repaid (such sum and interest thereon as aforesaid referred to, collectively, as the "Lender Default Obligation") shall be payable by the Defaulting Lender (i) to any Lender(s) which elect, at their sole option (and with no obligation to do so), to fund the amount which the Defaulting Lender failed to fund or (ii) to Administrative Agent or any other Lender which under the terms of this Agreement is entitled to reimbursement from the Defaulting Lender for the amounts advanced or expended. Notwithstanding any provision hereof to the contrary, until such time as a Defaulting Lender has repaid the Lender Default Obligation in full, all amounts which would otherwise be distributed to the Defaulting Lender shall instead be applied first to repay the Lender Default Obligation (to be applied first to interest at the Default Rate and then to principal) until the Lender Default Obligation has been

repaid in full (whether by such application or by cure by the Defaulting Lender), whereupon such Lender shall no longer be a Defaulting Lender. Any interest collected from Borrower on account of principal advanced by any Lender(s) on behalf of a Defaulting Lender shall be paid to the Lender(s) who made such advance and shall be credited against the Defaulting Lender's obligation to pay interest on the amount advanced at the Default Rate. If no other Lender makes an advance a Defaulting Lender failed to fund, a portion of the indebtedness of Borrower to the Defaulting Lender equal to the Lender Default Obligation shall be subordinated to the indebtedness of Borrower to all other Lenders and shall be paid only after the indebtedness of Borrower to all other Lenders is paid. The provisions of this Section shall apply and be effective regardless of whether an Event of Default occurs and is then continuing, and notwithstanding (i) any other provision of this Agreement to the contrary or (ii) any instruction of Borrower as to its desired application of payments. No Defaulting Lender shall have the right to vote on matters which are subject to the consent or approval of Required Lenders or all Lenders and while any Lender is a Defaulting Lender the requisite percentage of Lenders which constitutes the Required Lenders shall be calculated exclusive of the Percentage of the Defaulting Lender. The Administrative Agent shall be entitled to (i) withhold or set off, and to apply to the payment of the Lender Default Obligation any amounts to be paid to such Defaulting Lender under this Agreement, and (ii) bring an action or suit against such Defaulting Lender in a court of competent jurisdiction to recover the Lender Default Obligation and, to the extent such recovery would not fully compensate the Lenders for the Defaulting Lender's breach of this Agreement, to collect damages. In addition, the Defaulting Lender shall indemnify, defend and hold Administrative Agent and each of the other Lenders harmless from and against any and all claims, actions, liabilities, damages, costs and expenses (including attorneys' fees and expenses), plus interest thereon at the Default Rate, for funds advanced by Administrative Agent or any other Lender on account of the Defaulting Lender or any other damages such persons may sustain or incur by reason of or as a direct consequence of the Defaulting Lender's failure or refusal to abide by its obligations under this Agreement.

(c) At least five Business Days prior to the first date on which interest or fees are payable hereunder for the account of any Lender, each Lender that is not incorporated under the laws of the United States of America, or a state thereof, agrees that it will deliver to the Administrative Agent two duly completed copies of United States Internal Revenue Service Form W-8 BEN or W-8 ECI, certifying in either case that such Lender is entitled to receive payments under this Agreement and the Notes without deduction or withholding of any United States federal income taxes. Each Lender which so delivers a Form W-8 BEN or W-8 ECI further undertakes to deliver the Administrative Agent two additional copies of such form (or a successor form) on or before the date that such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent forms so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by the Administrative Agent, in each case certifying that such Lender is entitled to receive payments under this Agreement and the Notes without deduction or withholding of any United States federal income taxes, unless an event (including without limitation any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form with respect to it and such Lender advises the Administrative Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax.

11.6. Consents and Approvals:

(a) Each of the following shall require the approval or consent of the Required Lenders:

(i) The exercise of any rights and remedies under the Loan Documents following an Event of Default, provided that absent any direction from the Required Lenders, Administrative Agent may exercise any right or remedy under the Loan Documents as Administrative Agent may determine in good faith to be necessary or appropriate to protect the Lenders or the collateral securing the Loan;

(ii) Appointment of a successor Administrative Agent;

(iii) Approval of Post-Default Plan (defined in Section 11.7(d)); and

(iv) Except as referred to in subsection (b) below, approval of any amendment or modification of this Agreement or any of the other Loan Documents, or issuance of any waiver of any material provision of this Agreement or any of the other Loan Documents;

(b) Each of the following shall require the approval or consent of all the Lenders:

(i) Extension of the Maturity Date (beyond any extension permitted herein) or forgiveness of all or any portion of the principal amount of the Loan or any accrued interest thereon, or any other amendment of this Agreement or the other Loan Documents which would reduce the interest rate options or the rate at which fees are calculated or forgive any loan fee, or extend the time of payment of any principal, interest or fees;

(ii) Reduction of the percentage specified in the definition of Required Lenders;

(iii) Increasing the amount of the Loan or any non-consenting Lender's Commitment;

(iv) Release of any lien on any material collateral (except as Borrower is entitled to under the Loan Documents);

(v) The release or forgiveness of any Guarantor; and

(vi) Amendment of the provisions of this Section 11.6.

(c) In addition to the required consents or approvals referred to in subsections (a) and (b) above, the Administrative Agent may at any time request instructions from the Required Lenders with respect to any actions or approvals which, by the terms of this Agreement or of any of the Loan Documents, the Administrative Agent is permitted or required to take or to grant without instructions from any Lenders, and if such instructions are promptly requested, the Administrative Agent shall be absolutely entitled to refrain from taking any action or to withhold any approval and shall not be under any liability whatsoever for refraining from taking any

action or withholding any approval under any of the Loan Documents until it shall have received such instructions from the Required Lenders. Without limiting the foregoing, no Lender shall have any right of action whatsoever against any Administrative Agent as a result of such Administrative Agent acting or refraining from acting under this Agreement or any of the other Loan Documents in accordance with the instructions of the Required Lenders or, where applicable, all Lenders. The Administrative Agent shall promptly notify each Lender at any time that the Required Lenders have instructed the Administrative Agent to act or refrain from acting pursuant hereto.

(d) Each Lender authorizes and directs the Administrative Agent to enter into the Loan Documents other than this Agreement for the benefit of the Lenders. Each Lender agrees that any action taken by the Administrative Agent at the direction or with the consent of the Required Lenders in accordance with the provisions of this Agreement or any other Loan Document, and the exercise by the Administrative Agent at the direction or with the consent of the Required Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all Lenders, except for actions specifically requiring the approval of all Lenders. All communications from the Administrative Agent to the Lenders requesting Lenders' determination, consent, approval or disapproval (i) shall be given in the form of a written notice to each Lender, (ii) shall be accompanied by a description of the matter or item as to which such determination, approval, consent or disapproval is requested, or shall advise each Lender where such matter or item may be inspected, or shall otherwise describe the matter or issue to be resolved, (iii) shall include, if reasonably requested by a Lender and to the extent not previously provided to such Lender, written materials and a summary of all oral information provided to the Administrative Agent by Borrower in respect of the matter or issue to be resolved, and (iv) shall include the Administrative Agent's recommended course of action or determination in respect thereof. Each Lender shall reply promptly, but in any event within ten (10) Business Days after receipt of the request therefor from the Administrative Agent (the "Lender Reply Period"). Unless a Lender shall give written notice to the Administrative Agent that it objects to the recommendation or determination of the Administrative Agent (together with a written explanation of the reasons behind such objection) within the Lender Reply Period, such Lender shall be deemed to have approved of or consented to such recommendation or determination. With respect to decisions requiring the approval of the Required Lenders or all Lenders, the Administrative Agent shall upon receiving the required approval or consent follow the course of action or determination recommended to the Lenders by the Administrative Agent or such other course of action recommended by the Required Lenders.

11.7. Agency Provisions Relating to Collateral:

(a) The Administrative Agent is hereby authorized on behalf of all Lenders, without the necessity of any notice to or further consent from any Lender, at any time and from time to time, to take any action with respect to any collateral for the Loan or any Loan Document which may be necessary to preserve and maintain such collateral or to perfect and maintain perfected the liens upon such collateral granted pursuant to this Agreement and the other Loan Documents.

(b) Except as provided in this Agreement, the Administrative Agent shall have no obligation whatsoever to any Lender or to any other person or entity to assure that any collateral exists or is owned by Borrower or is cared for, protected or insured or has been encumbered or that the liens granted herein or in any of the other Loan Documents or pursuant hereto or thereto have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority.

(c) Should the Administrative Agent commence any proceeding or in any way seek to enforce the Administrative Agent's or the Lenders' rights or remedies under the Loan Documents, irrespective of whether as a result thereof the Administrative Agent shall acquire title to any collateral, each Lender, upon demand therefor from time to time, shall contribute its share (based on its Percentage) of the reasonable costs and/or expenses of any such enforcement or acquisition, including, but not limited to, fees of receivers or trustees, court costs, title company charges, filing and recording fees, appraisers' fees and fees and expenses of attorneys to the extent not otherwise reimbursed by Borrower. Without limiting the generality of the foregoing, each Lender shall contribute its share (based on its Percentage) of all reasonable costs and expenses incurred by the Administrative Agent (including reasonable attorneys' fees and expenses) if the Administrative Agent employs counsel for advice or other representation (whether or not any suit has been or shall be filed) with respect to any collateral for the Loan or any part thereof, or any of the Loan Documents, or the attempt to enforce any security interest or lien on any collateral, or to enforce any rights of the Administrative Agent or the Lenders or any of Borrower's or any other party's obligations under any of the Loan Documents, but not with respect to any dispute between Administrative Agent and any other Lender(s). It is understood and agreed that in the event the Administrative Agent determines it is necessary to engage counsel for Lender from and after the occurrence of a Default or Event of Default, said counsel shall be selected by the Administrative Agent and written notice of such selection, together with a copy of such counsel's engagement letter and fee estimate, shall be delivered to the Lenders.

(d) In the event that all or any portion of the collateral for the Loan is acquired by the Administrative Agent as the result of the exercise of any remedies hereunder or under any other Loan Document, or is retained in satisfaction of all or any part of Borrower's Obligations under the Loan Documents, title to any such collateral or any portion thereof shall be held in the name of the Administrative Agent or a nominee or subsidiary of Administrative Agent, as agent, for the ratable benefit of the Administrative Agent and the Lenders. The Administrative Agent shall prepare a recommended course of action for such collateral (the "Post-Default Plan"), which shall be subject to the approval of the Required Lenders. The Administrative Agent shall administer the collateral in accordance with the Post-Default Plan, and upon demand therefor from time to time, each Lender will contribute its share (based on its Percentage) of all reasonable costs and expenses incurred by the Administrative Agent pursuant to the Post-Default Plan, including without limitation, any operating losses and all necessary operating reserves. To the extent there is net operating income from such collateral, the Administrative Agent shall, in accordance with the Post-Default Plan, determine the amount and timing of distributions to Lenders. All such distributions shall be made to Lenders in accordance with their respective Percentages. In no event shall the provisions of this subsection or the Post-Default Plan require the Administrative Agent or any Lender to take an action which would cause such Lender to be in violation of any applicable regulatory requirements.

11.8. Lender Actions Against Borrower or the Collateral: Each Lender agrees that it will not take any action, nor institute any actions or proceedings, against Borrower or any other person hereunder or under any other Loan Documents with respect to exercising claims against the Borrower or rights in any collateral without the consent of the Required Lenders. With respect to any action by the Administrative Agent to enforce the rights and remedies of the Administrative Agent and Lenders with respect to the Borrower and any collateral in accordance with the terms of this Agreement, each Lender hereby consents to the jurisdiction of the court in which such action is maintained.

11.9. Assignment and Participation: No Lender shall be permitted to assign or sell all or any portion of its rights and obligations under this Agreement to Borrower or any Affiliate of Borrower.

11.10. Ratable Sharing: Subject to Sections 11.4 and 11.5, Lenders agree among themselves that (i) with respect to all amounts received by them which are applicable to the payment of the Loan, equitable adjustment will be made so that, in effect, all such amounts will be shared among them ratably in accordance with their Percentages, whether received by voluntary payment, by the exercise of the right of set-off or bankers' lien, by counterclaim or cross action or by the enforcement of any or all of the Loan Documents or any collateral and (ii) if any of them shall by voluntary payment or by the exercise of any right of counterclaim, set-off, bankers' lien or otherwise, receive payment of a proportion of the aggregate amount of the Loan held by it which is greater than its Percentage of the payments on account of the Loan, the one receiving such excess payment shall purchase, without recourse or warranty, an undivided interest and participation (which it shall be deemed to have done simultaneously upon the receipt of such payment) in such obligations owed to the others so that all such recoveries with respect to such obligations shall be applied ratably in accordance with their Percentages; provided, that if all or part of such excess payment received by the purchasing party is thereafter recovered from it, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to that party to the extent necessary to adjust for such recovery, but without interest except to the extent the purchasing party is required to pay interest in connection with such recovery. Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of Borrower in the amount of such participation.

11.11. General Immunity: Neither Administrative Agent nor any of its directors, officers, agents or employees shall be liable to Borrower or any Lender for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith, except for its or their own gross negligence or willful misconduct. In the absence of gross negligence, the Administrative Agent shall not be liable for any apportionment or distribution of payments made by it in good faith pursuant to Section 11.5, and if any such apportionment or distribution is subsequently determined to have been made in error the sole recourse of any Lender to whom payment was due, but not made, shall be to recover from the recipients of such payments any payment in excess of the amount to which they are determined to have been entitled.

11.12. No Responsibility for Loan, Recitals, etc.: Neither Administrative Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (i) any statement, warranty or representation made in connection with any Loan Document or any use of the Loan; (ii) the performance or observance of any of the covenants or agreements of any party to any Loan Document; (iii) the satisfaction of any condition specified in this Agreement, except receipt of items purporting to be the items required to be delivered to any Administrative Agent; or (iv) the validity, effectiveness or genuineness of any Loan Document or any other instrument or writing furnished in connection therewith, provided that the foregoing shall not release Administrative Agent from liability for its gross negligence or willful misconduct.

11.13. Action on Instructions of Lenders: The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by all the Lenders (or the Required Lenders, if such action may be directed hereunder by the Required Lenders), and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of Lenders. Each Lender, severally to the extent of its Percentage, hereby agrees to indemnify Administrative Agent against and hold it harmless from any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action, provided that the foregoing shall not release Administrative Agent from liability for its gross negligence or willful misconduct.

11.14. Employment of Agents and Counsel: The Administrative Agent may undertake any of its duties as Administrative Agent hereunder and under any other Loan Document by or through employees, agents, and attorneys-in-fact and shall not be liable to Lenders, except as to money or securities received by them or their authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Administrative Agent shall be entitled to advice of counsel concerning all matters pertaining to the agency hereby created and its duties hereunder and under any other Loan Document.

11.15. Reliance on Documents; Counsel: The Administrative Agent shall be entitled to rely upon any notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of counsel selected by the Administrative Agent, which counsel may be an employee of Administrative Agent, provided that the foregoing shall not release the Administrative Agent from liability for its gross negligence or willful misconduct. Any such counsel shall be deemed to be acting on behalf of Lender in assisting the Administrative Agent with respect to the Loan, but shall not be precluded from also representing Administrative Agent in any matter in which the interests of Administrative Agent and the other Lenders may differ.

11.16. Administrative Agent's Reimbursement and Indemnification: Lenders agree to reimburse and indemnify Administrative Agent ratably (i) for any amounts (excluding principal and interest on the Loan and loan fees) not reimbursed by Borrower for which Administrative Agent is entitled to reimbursement under the Loan Documents, (ii) for any other expenses incurred by Administrative Agent on behalf of Lender, in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents, if not paid by

Borrower, (iii) for any expenses incurred by Administrative Agent on behalf of Lender which may be necessary or desirable to preserve and maintain collateral or to perfect and maintain perfected the liens upon the collateral granted pursuant to this Agreement and the other Loan Documents, if not paid by Borrower, (iv) for any amounts and other expenses incurred by Administrative Agent on behalf of Lender in connection with any default by any Lender hereunder or under the other Loan Documents, if not paid by such Lender, and (v) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against Administrative Agent in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby, or the enforcement of any of the terms thereof or of any such other documents, provided that no Lender shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of Administrative Agent.

11.17. Rights as a Lender. With respect to its Commitment, if any, Administrative Agent shall have the same rights, powers and obligations hereunder and under any other Loan Document as any Lender and may exercise such rights and powers as though it were not an Administrative Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include Administrative Agent in its individual capacities. The Borrower and each Lender acknowledge and agree that Administrative Agent and/or its affiliates may accept deposits from, lend money to, hold other investments in, and generally engage in any kind of trust, debt, equity or other transaction or have other relationships, in addition to those contemplated by this Agreement or any other Loan Document, with Borrower or any of its affiliates in which Borrower or such affiliate is not restricted hereby from engaging with any other person.

11.18. Lenders' Credit Decisions: Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements and other information prepared by Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

11.19. Notice of Events of Default: Should Administrative Agent receive any written notice of the occurrence of a default or Event of Default, or should the Administrative Agent send Borrower a notice of Default or Event of Default, the Administrative Agent shall promptly furnish a copy thereof to each Lender.

11.20. Successor Administrative Agent:

(a) Administrative Agent may resign from the performance of all its functions and duties hereunder at any time by giving at least thirty (30) days prior written notice to Lenders and Borrower. Such resignation shall take effect on the date set forth in such notice or

as otherwise provided below. Such resignation by Administrative Agent as agent shall not affect its obligations hereunder, if any, as a Lender.

(b) Upon resignation by the Administrative Agent, or any successor Administrative Agent, the Required Lenders shall appoint a successor Administrative Agent with the consent of Borrower, which shall not be unreasonably withheld, conditioned or delayed (provided that no consent of Borrower shall be required if the successor Administrative Agent is also a Lender or if an Event of Default then exists). If no successor Administrative Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent's giving notice of resignation, then the retiring Administrative Agent may appoint a successor Administrative Agent with the consent of Borrower, which shall not be unreasonably withheld, conditioned or delayed (provided that no consent of Borrower shall be required if the successor Administrative Agent is also a Lender or if an Event of Default then exists). Upon the acceptance of any appointment as an Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the Administrative Agent and the Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents other than its liability, if any, for duties and obligations accrued prior to its retirement. After any retiring Administrative Agent's resignation hereunder as an Administrative Agent, the provisions of this Article XI shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as an Administrative Agent hereunder and under the other Loan Documents.

ARTICLE XII

CALL RIGHTS

Notwithstanding any other provision of this Agreement to the contrary, including any provision premised upon any required consent of the Lenders, any Lender may, upon written notice to the Administrative Agent given at any time between December 1, 2010 and March 1, 2011, direct that the Administrative Agent exercise its rights to require mandatory prepayment of the Loan by the Borrower under the terms of Section 5 of the Notes. The Administrative Agent shall not be liable for the Borrower's failure to honor any such demand for mandatory prepayment. Once such a demand has been made by the Administrative Agent, all issues relating to foreclosure or exercise of remedies shall be subject to the other provisions of this Agreement, including any provisions premised by their terms upon any required consent of the Lenders. The Administrative Agent shall be entitled, as an alternative to complying with such direction by a Lender, to repurchase such Lender's Percentage.

ARTICLE XIII

SPECIAL PROVISIONS RELATING TO INFRASTRUCTURE IMPROVEMENTS

Following the Borrower's construction of the Project, the Tenant's ability to obtain approvals for use and occupancy of the Project Improvements is dependent upon completion of

the Infrastructure Improvements. Attached hereto as Schedule XVI is a plat showing the Infrastructure Improvements, which consist generally of three phases:

Phase I. Extension of Britton Parkway from Davidson Road to Reynolds Drive;

Phase II. Construction/extension of Anson Drive between Britton Parkway and Leap Road; and

Phase III. Leap Road Improvements.

The Infrastructure Improvements will be located on property owned by parties other than the Borrower, and will be constructed by the Authority using the proceeds of the Infrastructure Improvement Bonds.

13.1. Representations and Warranties. The Borrower makes the following representations and warranties to the Lenders in connection with the Infrastructure Improvements:

(a) Rights of Authority - Phase I. Based on the Borrower's review of all documentation relative to the Infrastructure Improvements and to the Infrastructure Improvement Financing, the Borrower expects that, within thirty (30) days of the date of issuance of the Infrastructure Improvement Bonds, the Authority and/or the City shall have obtained all necessary legal rights from all parties in order to complete Phase I of the Infrastructure Improvements.

(b) Rights of Authority - Phases II and III. Based on the Borrower's review of all documentation relative to the Infrastructure Improvements and to the Infrastructure Improvement Bonds, (i) the Borrower expects that the Authority and/or the City shall have obtained all necessary legal rights from all parties in order to complete Phases II and III of the Infrastructure Improvements as and when the same are currently scheduled to be completed, (ii) the cost of acquisition of rights-of-way and easements required to be obtained from surrounding landowners for Phases II and III of the Infrastructure Improvements are not anticipated to exceed amounts therefor which have been identified as a part of the Authority's budget for the Infrastructure Improvements (attached hereto as Schedule XVII), and (iii) the acquisition of such rights-of-way and easements for Phases II and III are not expected to result in any delay in completing the Infrastructure Improvements.

(c) No Impediments. Except as noted above in paragraph (b), the Borrower does not know of any impediments to the ability of the Authority to complete the Infrastructure Improvements. The Borrower has reviewed all construction contracts, payment and performance bonds, and draw provisions in the Infrastructure Improvement Financing, and the Borrower believes that the Infrastructure Improvements can and will be completed on time and within budget.

13.2. Covenants and Agreements. The Borrower hereby covenants and agrees with the Lenders in connection with the Infrastructure Improvements as follows:

(a) Draw Requests; Inspections. The Borrower will cause copies of all draw requests submitted by the Authority for work done on the Infrastructure Improvements, as well as copies of all inspection reports issued by any engineer or architect inspecting the work done on the Infrastructure Improvements, to be provided to the Administrative Agent within five (5) Business Days following submission or issuance thereof.

(b) Monitoring; Best Efforts to Cause Completion. The Borrower will regularly monitor the progress of construction of the Infrastructure Improvements and cooperate with the Lender to allow the Lender to cause the Infrastructure Improvements to be completed on time and within budget, and to be dedicated to and accepted and maintained by the City as public improvements.

(c) Appointment of Authority Board Members. The Borrower is entitled to appoint three (3) members of the seven (7) member Board of Trustees of the Authority. The Borrower will at all times appoint and/or reappoint members of the Authority who will vote in such a manner as to cause the Authority to cooperate in the completion of the Infrastructure Improvements on time and within budget.

(d) Infrastructure Escrow. Prior to the initial advance of Loan proceeds, the Borrower shall escrow with the Lenders equity funds of the Borrower in the amount of Seven Million Five Hundred Thousand Dollars (\$7,500,000) (the "Infrastructure Escrow") in an interest-bearing escrow account, to be held by the Administrative Agent. The Infrastructure Escrow shall be held as security for the Loan and may be used, at the Administrative Agent's discretion, to fund costs of the Project or any other amounts payable under the Loan Documents, including, among other things, (i) cost overruns in order to complete Phase I of the Infrastructure Improvements, (ii) carrying costs or other increases in Project-related costs and expenses resulting from a delay in the completion of Phase I of the Infrastructure Improvements, or (iii) such other Project-related costs and expenses as may be approved by the Administrative Agent. Provided no Event of Default has occurred and the construction of Phase I of the Infrastructure Improvements is no more than thirty (30) days behind schedule, such funds shall be released to the Borrower as follows: (A) \$2,500,000 shall be released at 50% completion of Phase I of the Infrastructure Improvements, as determined by a consultant approved by the Administrative Agent, (B) an additional \$2,500,000 shall be released at 75% completion of Phase I of the Infrastructure Improvements, as determined by a consultant approved by the Administrative Agent and (C) the remaining \$2,500,000 shall be released upon the issuance by the City of a use and occupancy certificate for the first Construction Phase of the Project.

13.3. Special Events of Default. As provided in Section 9.1(z) of this Agreement, the occurrence of any of the following events shall constitute an Event of Default under this Agreement:

(a) If cost overruns on the Infrastructure Improvements exceed ten percent (10%) of the budget therefor, as provided to the Administrative Agent, and the Authority has no means of funding such cost overruns and the Board of Trustees of the Authority has not adopted a resolution approving the issuance of additional bonds to fund such cost overruns, or if construction of any portion of the Infrastructure Improvements falls behind the schedule therefor,

as provided to the Administrative Agent, by more than thirty (30) days other than by reason of force majeure;

(b) If any of the Borrower's representations and warranties contained in this Article XIII is not complete and accurate as of the Closing Date; or

(c) If the Borrower fails to perform any of its covenants and agreements set forth in this Article XIII, and such failure is not cured within ten (10) Business Days of written notice of such failure.

13.4. Remedies. Upon the occurrence of an Event of Default, including but not limited to the occurrence of any event described in Section 13.3 of this Agreement, the Administrative Agent may, in addition to any other remedies available to it and in its sole discretion, advance Loan proceeds in order to complete the Infrastructure Improvements, to cure any default in connection with the Infrastructure Improvement Financing and/or, at Administrative Agent's option, redeem the Infrastructure Improvement Bonds.

ARTICLE XIV

COSTS OF MAINTAINING LOAN

14.1. Increased Costs and Capital Adequacy.

(a) Borrower recognizes that the cost to the Lenders of maintaining the Loan or any portion thereof may fluctuate and, Borrower agrees to pay the Administrative Agent additional amounts to compensate Lenders for any increase in its actual costs incurred in maintaining the Loan or any portion thereof outstanding or for the reduction of any amounts received or receivable from Borrower as a result of:

(i) any change after the date hereof in any applicable law, regulation or treaty, or in the interpretation or administration thereof, or by any domestic or foreign court, (A) changing the basis of taxation of payments under this Agreement to the Lenders (other than taxes imposed on all or any portion of the overall net income or receipts of the Lenders), or (B) imposing, modifying or applying any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, credit extended by, or any other acquisition of funds for loans by the Lenders (which includes the Loan or any applicable portion thereof) (provided, however, that Borrower shall not be charged again the Reserve Percentage (as defined in the Notes) already accounted for in the definition of the Adjusted LIBOR Rate (as defined in the Notes), or (C) imposing on the Lenders, or the London interbank market generally, any other condition affecting the Loan, provided that the result of the foregoing is to increase the cost to the Lenders of maintaining the Loan or any portion thereof or to reduce the amount of any sum received or receivable from Borrower by the Lenders under the Loan Documents; or

(ii) the maintenance by any Lender of reserves in accordance with reserve requirements promulgated by the Board of Governors of the Federal Reserve System of the United States with respect to "Eurocurrency Liabilities" of a similar term to that of the applicable portion of the Loan (without duplication for reserves already accounted for in the calculation of a LIBOR Rate (as defined in the Notes) pursuant to the terms of the Notes).

(b) If the application of any law, rule, regulation or guideline adopted or arising out of the report of the Basle Committee on Banking Regulations and Supervisory Practices entitled "International Convergence of Capital Measurement and Capital Standards", or the adoption after the date hereof of any other law, rule, regulation or guideline regarding capital adequacy, or any change after the date hereof in any of the foregoing, or in the interpretation or administration thereof by any domestic or foreign Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender, with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has the effect of reducing the rate of return on such Lender's capital to a level below that which such Lender would have achieved but for such application, adoption, change or compliance (taking into consideration the policies of such Lender with respect to capital adequacy), then, from time to time Borrower shall pay to such Lender such additional amounts as will compensate such Lender for such reduction with respect to any portion of the Loan outstanding.

(c) Any amount payable by Borrower under subsection (a) or subsection (b) of this Section 14.1 shall be paid within five (5) days of receipt by Borrower of a certificate signed by an authorized officer of the Administrative Agent setting forth the amount due and the basis for the determination of such amount, which statement shall be conclusive and binding upon Borrower, absent manifest error. Failure on the part of the Administrative Agent to demand payment from Borrower for any such amount attributable to any particular period shall not constitute a waiver of any Lender's right to demand payment of such amount for any subsequent or prior period. The Administrative Agent shall use reasonable efforts to deliver to Borrower prompt notice of any event described in subsection (a) or (b) above, of the amount of the reserve and capital adequacy payments resulting therefrom and the reasons therefor and of the basis of calculation of such amount; provided, however, that any failure by the Administrative Agent so to notify Borrower shall not affect Borrower's obligation to pay the reserve and capital adequacy payment resulting therefrom.

14.2. Borrower Withholding. If by reason of a change in any applicable laws occurring after the date hereof, Borrower is required by law to make any deduction or withholding in respect of any taxes (other than taxes imposed on or measured by the net income of any Lender or any franchise tax imposed on any Lender), duties or other charges from any payment due under the Notes to the maximum extent permitted by law, the sum due from Borrower in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, each Lender receives and retains a net sum equal to the sum which each Lender would have received had no such deduction or withholding been required to be made.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the Borrower, the Administrative Agent and the Lenders have caused this Agreement to be executed and delivered as of the day and year first above written.

WITNESS:

Cathy M. Thompson

BORROWER:

COLUMBUS CAMPUS, I.I.C, a Maryland limited liability company

By: Erickson Retirement Communities, LLC,
Sole Member

By: Gerald F. Doherty (SEAL)
Executive Vice President

LENDERS:

KEYBANK NATIONAL ASSOCIATION

Brent S. Stein

By: Charles J. Shopp (SEAL)
Charles J. Shopp
Senior Vice President

FIFTH THIRD BANK

By: _____ (SEAL)
Name:
Title:

HILLCREST BANK

By: _____ (SEAL)
Name: Mark W. Steinman
Title: Vice President, Commercial Lending

WILMINGTON TRUST FSB

By: _____ (SEAL)
Name: Nicholas C. Richardson
Title: Vice President

SOLUTIONS BANK

By: _____ (SEAL)
Name: Garrett L. Rosenbaum
Title: Vice President

[LENDERS SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

LENDERS:

KEYBANK NATIONAL ASSOCIATION

By: _____ (SEAL)
Charles J. Shoop
Senior Vice President

FIFTH THIRD BANK

By: _____ (SEAL)
Name: MATTHEW J. MINTZGA
Title: VICE PRESIDENT

HILLCREST BANK

By: _____ (SEAL)
Mark W. Steinman
Vice President, Commercial Lending

WILMINGTON TRUST FSB

By: _____ (SEAL)
Nicholas C. Richardson
Vice President

SOLUTIONS BANK

By: _____ (SEAL)
Garrett L. Rosenbaum
Vice President

[LENDERS SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

LENDERS:

KEYBANK NATIONAL ASSOCIATION

By: _____ (SEAL)
Charles J. Shoop
Senior Vice President

FIFTH THIRD BANK

By: _____ (SEAL)
Name: _____
Title: _____

HILLCREST BANK

By: _____ (SEAL)
Mark W. Steinman
Vice President, Commercial Lending

WILMINGTON TRUST FSB

By: _____ (SEAL)
Nicholas C. Richardson
Vice President

SOLUTIONS BANK

By: _____ (SEAL)
Garrett L. Rosenbaum
Vice President

[LENDERS SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

LENDERS:

KEYBANK NATIONAL ASSOCIATION

By: _____ (SEAL)
Charles J. Shoop
Senior Vice President

FIFTH THIRD BANK

By: _____ (SEAL)
Name:
Title:

HILLCREST BANK

By: _____ (SEAL)
Name: Mark W. Steinman
Title: Vice President, Commercial Lending

WILMINGTON TRUST FSB

By: Nicholas C. Richardson (SEAL)
Name: Nicholas C. Richardson
Title: Vice President

SOLUTIONS BANK

By: _____ (SEAL)
Name: Garrett L. Rosenbaum
Title: Vice President

[LENDERS SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

LENDERS:

KEYBANK NATIONAL ASSOCIATION

By: _____ (SEAL)

Charles J. Shoop
Senior Vice President

FIFTH THIRD BANK

By: _____ (SEAL)

Name: _____
Title: _____

HILLCREST BANK

By: _____ (SEAL)

Mark W. Steinman
Vice President, Commercial Lending

WILMINGTON TRUST FSB

By: _____ (SEAL)

Nicholas C. Richardson
Vice President

SOLUTIONS BANK

By: _____ (SEAL)

Garrett L. Rosenbaum
Vice President

Dulores Harris

[LENDERS SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

FIRST COMMONWEALTH BANK

John H. Kelly

By: *Lawrence C. Deihle* (SEAL)
Lawrence C. Deihle
Vice President, Senior

ADMINISTRATIVE AGENT:

KEYBANK NATIONAL ASSOCIATION

Brent E. Stock

By:

CL J Sp (SEAL)
Charles J. Shoop
Senior Vice President

LIST OF SCHEDULES
ATTACHED TO CONSTRUCTION LOAN AGREEMENT (THE "AGREEMENT")
DATED APRIL 16, 2008 BY AND BETWEEN
COLUMBUS CAMPUS, LLC, THE FINANCIAL INSTITUTIONS FROM TIME TO
TIME PARTIES TO THE AGREEMENT (COLLECTIVELY, THE "LENDERS") AND
KEYBANK NATIONAL ASSOCIATION, AS LEAD ARRANGER AND
ADMINISTRATIVE AGENT FOR THE LENDERS

<u>Schedule I</u>	-	Schedule of Construction Phases, including Estimated Completion Dates and Estimated Units
<u>Schedule II</u>	-	Deposit Schedule and Move-In Check List
<u>Schedule III</u>	-	List of Environmental Reports
<u>Schedule IV</u>	-	Letters of Credit Issued at Closing Date
<u>Schedule V</u>	-	Construction Phase Commencement Approval Form
<u>Schedule VI</u>	-	Covenant Compliance Letter
<u>Schedule VII</u>	-	List of Agreements Approved by Lenders Providing For Payments To Erickson
<u>Schedule VIII</u>	-	Flow of Initial Entrance Deposits
<u>Schedule IX</u>	-	Flow of Monthly Fees
<u>Schedule X</u>	-	Several Funding Commitments of Lenders
<u>Schedule XI</u>	-	Lender Wire Instructions
<u>Schedule XII</u>	-	Definitions for Terms Set Forth in Sections 8.10(b), (c) and (d)
<u>Schedule XIII</u>	-	Request for Disbursement Form
<u>Schedule XIV</u>	-	Form of Assignment and Assumption Agreement
<u>Schedule XV</u>	-	Patriot Act and OFAC Transferee and Assignee Identifying Information Form
<u>Schedule XVI</u>	-	Plat of Infrastructure Improvements

Schedule XVII

- Hickory Chase Community Authority Infrastructure Improvements
Budget

Schedule XVIII

- List of Infrastructure Improvement Bond Documents

SCHEDULE I

SCHEDULE OF CONSTRUCTION PHASES

See Next Page

HILLIARD CAMPUS, LLC
SCHEDULE OF ESTIMATED COMPLETION DATES
PREPARED: FEBRUARY 13, 2008

Construction Phase	Project	Constr. Start	Substantially Completed	Ind. Units	RG Units
1.	Community Building 1.0	Mar-08	Mar-09		
2.	Transitional Spaces	May-13	Mar-14		
3.	Residential Building 1.1	May-08	Mar-09	145	
4.	Residential Building 1.2	Nov-08	Sep-09	91	
5.	Residential Building 1.3	May-09	Mar-10	87	
6.	Residential Building 1.4	Dec-09	Oct-10	139	
7.	Residential Building 1.5	Nov-10	Sep-11	133	
8.	Residential Building 1.6	Nov-11	Sep-12	81	
9.	Residential Building 1.7	May-12	Mar-13	157	
10.	Residential Building 2.0	Mar-13	Mar-14		
11.	Residential Building 2.1	May-13	Mar-14	163	
12.	Residential Building 2.2	May-13	Mar-14	110	
13.	Residential Building 2.3	Oct-14	Aug-15	107	
14.	Residential Building 2.4	May-15	Mar-16	118	
15.	Residential Building 2.5	Dec-15	Oct-16	95	
16.	Residential Building 2.6	Jun-16	Apr-17	103	
17.	Sitework 1.0	Dec-07	Apr-11		
18.	Sitework 2.0	Apr-13	Dec-18		
19.	Sitework 3.0	Nov-15	Aug-18		
20.	Master Planning	May-08			
21.	Bridge 1	Oct-09	Oct-10		
22.	Bridge 2	Mar-13	Mar-14		
23.	Bridge 30	Mar-13	Mar-14		
24.	Bridge 40	Mar-15	Mar-16		
25.	Bridge 50	Oct-15	Oct-16		
26.	Bridge 60	Apr-16	Apr-17		
27.	Chapel 1	Apr-16	Apr-17		
28.	Gate House 1	Mar-08	Mar-09		
29.	Maintenance Building 1	Apr-16	Apr-17		
30.	Marketing Center 1	Sep-07	Dec-07		
31.	Extended Care 1A	Jul-09	Oct-10		36
32.	Extended Care 1B	Dec-12	Mar-14		48
33.	Extended Care 2.0	Jan-16	Apr-17		132

TOTAL UNITS 1,529 216
1,745

SCHEDULE II

DEPOSIT SCHEDULE

See Next Page

HICKORY CHASE

Schedule II

Deposit Schedule and Move-in Check List

Priority List: \$1,000.00 fully refundable deposit to hold your priority date \$150 per person, one-time refundable processing fee

Reservation: Choose your apartment and lock in the current entrance deposit. This step initiates the following process (no additional deposit at this time)

90 Day Deposit: \$2,000.00 fully refundable deposit, 3 months after apartment reservation, to continue holding your apartment.

180 Day Deposit: \$2,000 fully refundable deposit, 6 months after apartment reservation, to continue holding your apartment.

Between Reservation and Move:

If applicable, prepare house for sale and contact Real Estate Brokers for estimates.

Meet with Move-in Coordinator to discuss the selections available at our Design Center

Approval Process:

Approval process occurs within six months of your move

Health Interview determines if independent living is complimentary to your current lifestyle or if another type of living would be more suitable.

- This is not a physical examination, it is a verbal process
- Please remember to bring your health form (to be provided) and health insurance cards.

Financial Interview determines your financial eligibility for Hickory Chase.

- Final financial statement submitted for verification of income and assets
- Please bring documentation to show that you meet our financial requirements. For example, bank statements, quarterly stock reports and/or mutual fund reports, real estate (appraisal or listing), tax return, living trust, verification of monthly income.

The Approval Committee will send a letter based on outcomes of the Health and Financial Interviews.

Immediately After You are Approved:

Deposit 10% of entrance deposit (minus previous deposits), sign Residence and Care Agreement, sign refund of entrance deposit form and schedule move-in date.

If applicable, put house on the market.

3-4 Weeks Prior to Move:

Settle on total entrance deposit minus previous deposits made to Hickory Chase.

On Moving Day, our Move-in Coordinator will meet, direct and instruct your moving truck and you live happily ever after!

Throughout this process, you will be invited to events to meet your neighbors and hear from a variety of experts about Hickory Chase

SCHEDULE III

LIST OF ENVIRONMENTAL REPORTS

1. Phase I Environmental Site Assessment, ASTM Practice E 1527-05, dated January 31, 2007, Report No. 2006-2116, prepared by Evans, Mechwart, Hambleton & Tilton, Inc.

SCHEDULE IV

LETTERS OF CREDIT ISSUED AT CLOSING DATE

NONE

SCHEDULE V

CONSTRUCTION PHASE COMMENCEMENT APPROVAL FORM

[Date]

KeyBank National Association
Lead Arranger and Administrative Agent
127 Public Square
Cleveland, Ohio 44114
Attn: Charles J. Shoop

RE: Hickory Chase Phase Budget for Construction Phase ____

Ladies and Gentlemen:

Columbus Campus, LLC hereby submits for your review the following proposed Phase Budget for Construction Phase ____ at Hickory Chase.

Phase Budget	\$ _____
Anticipated Start Date	_____
Anticipated Substantial	_____
Completion Date	_____

Attached to this letter is a complete schedule of all current information referred under the terms of Section 2.3, 4.3, 4.4 and 8.19 of the Construction Loan Agreement for Hickory Chase dated _____, including evidence that all applicable marketing covenants for Construction Phase ____ have been satisfied.

All items required to be submitted pursuant to Section 4.2 and 3.1 of the Construction Loan Agreement have been submitted for Construction Phase ____ and there have been no material changes to any of the documents or information submitted to you in connection with such Construction Phase.

Please signify your approval of the Phase Budget by counter-signing below and sending the original to 701 Maiden Choice Lane, Baltimore, Maryland 21228, Attn: _____ with a copy to _____, 703 Maiden Choice Lane, Baltimore, Maryland 21228. Thank you for your prompt attention to this matter.

Very truly yours,

COLUMBUS CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC,
Sole Member

By: _____ (SEAL)
Name: _____
Title: _____

Approved by KeyBank National Association,
as Administrative Agent

By: _____
Date: _____

SCHEDULE VI

COVENANT COMPLIANCE LETTER

[Date]

KeyBank National Association
Lead Arranger and Administrative Agent
127 Public Square
Cleveland, Ohio 44114
Attn: Charles J. Shoop,
Senior Vice President

RE: Columbus Campus, LLC

Ladies and Gentlemen:

This letter is submitted in connection with quarterly financial statements required to be provided under Section 8.3 of the Construction Loan Agreement (the "Loan Agreement") dated April 16, 2008 (the "Loan Agreement") relating to Hickory Chase. To the best knowledge of the undersigned, who is the chief financial officer of the entities submitting such financial statements, no Default, as defined in the Loan Agreement, has occurred and is continuing, and no Event of Default, as defined in the Loan Agreement, has occurred. [If a Default or Event of Default has occurred, detailed information with respect thereto must be supplied with this letter.] All original promissory notes evidencing advances under the Community Loan Documents have been delivered (or are being delivered herewith) to you.

(Signature of Chief Financial Officer)

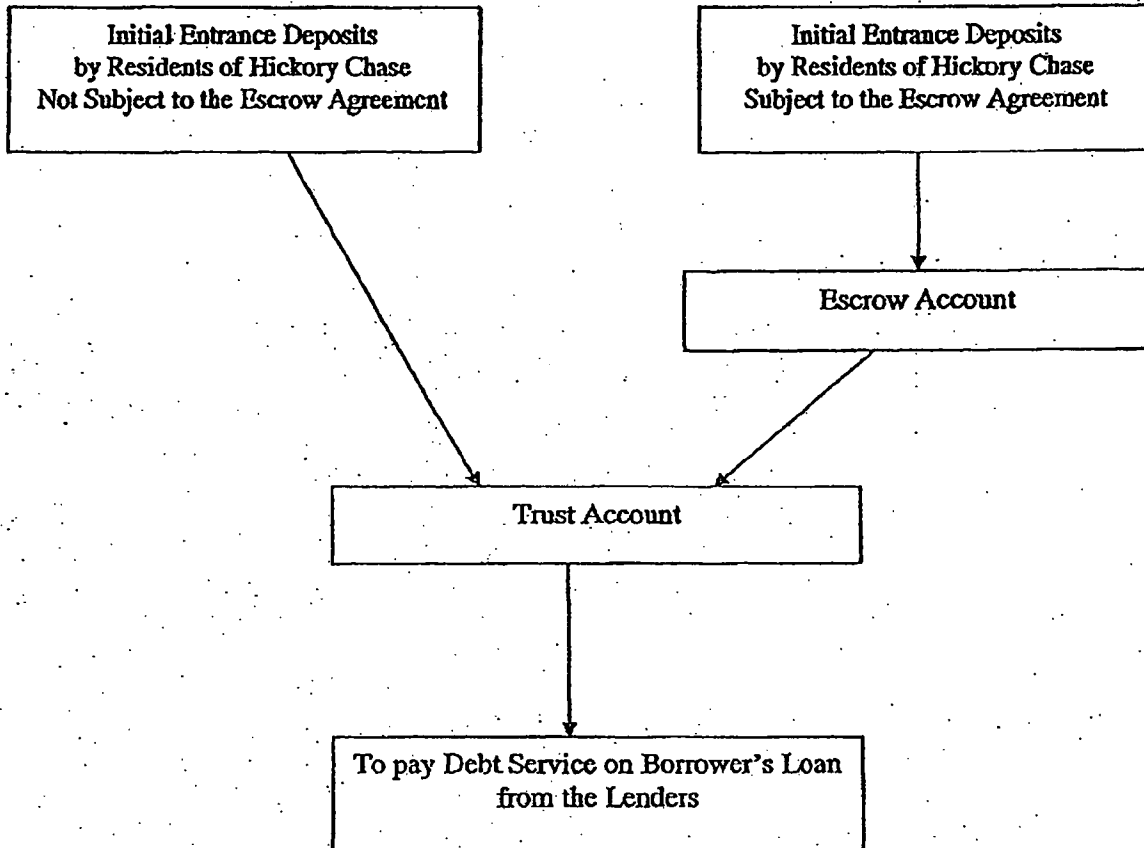
SCHEDULE VII

LIST OF AGREEMENTS APPROVED BY LENDERS
PROVIDING FOR PAYMENTS TO ERICKSON

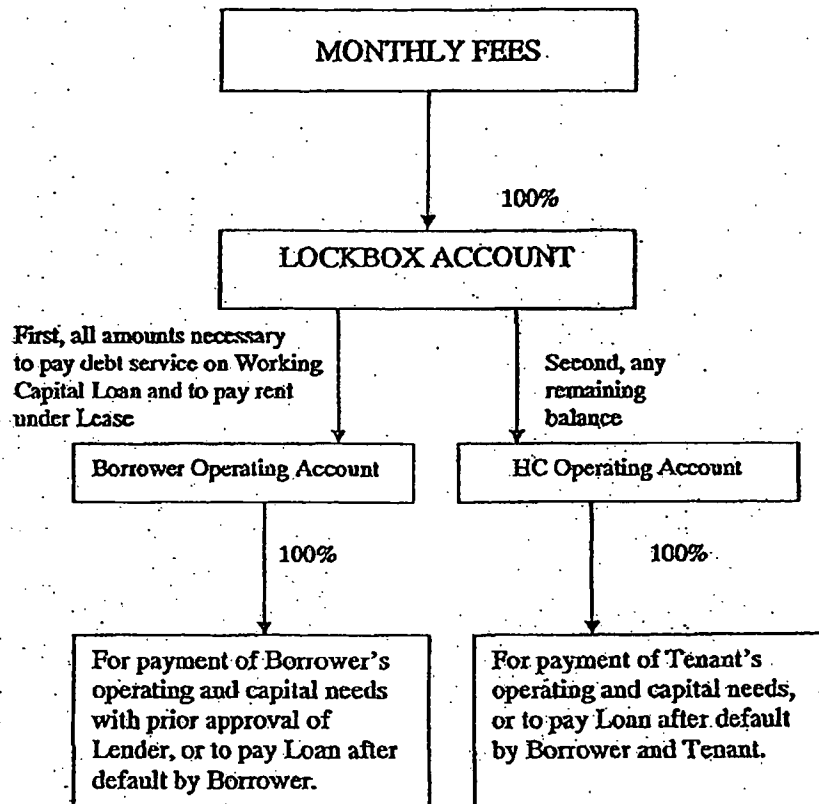
1. Erickson Retirement Communities, LLC Fourth Amended and Restated Operating Agreement dated February 1, 2004;
2. Compensation to be paid to John Erickson in an amount that is, in the judgment of the Administrative Agent, reasonable and customary for Chief Executive Officers of comparable sized companies in similar industries.

SCHEDULE VIII

FLOW OF INITIAL ENTRANCE DEPOSITS



SCHEDULE IX
FLOW OF MONTHLY FEES



SCHEDULE X

**SCHEDULE OF SEVERAL FUNDING
COMMITMENTS OF LENDERS**

<u>Lender</u>	<u>Amount</u>	<u>Percentage of Total Loan Amount</u>
KeyBank National Association	\$20,000,000.00	22.22223%
Fifth Third Bank	\$25,000,000.00	27.77778%
Hillcrest Bank	\$5,000,000.00	5.55555%
Wilmington Trust FSB	\$10,000,000.00	11.11111%
Solutions Bank	\$10,000,000.00	11.11111%
First Commonwealth Bank	\$10,000,000.00	11.11111%
To Be Syndicated	\$10,000,000.00	11.11111%
Total	\$90,000,000.00	100%

SCHEDULE XI

LENDER WIRE INSTRUCTIONS

KeyBank National Association
Cleveland, Ohio
ABA 041001039
Account Name: LIQ Wire Clearing
Account No.: 1140228209012
Reference Columbus Campus, LLC
Attn: Drew Yesso, Servicing Officer

SCHEDULE XII

DEFINITIONS FOR TERMS SET FORTH IN SECTIONS 8.10(b), (c) and (d)

1. Additional Securities: Securities issued on a parity with the Series 2007 Securities and that rank equally and ratably with the Series 2007 Securities as general unsecured Indebtedness of the Guarantor and which are and shall be subordinated to the Senior Indebtedness as provided herein.
2. Annual Distribution Certificate: A certificate or report, in form and substance satisfactory to the Administrative Agent, executed on an annual basis: (a) in the case of an Annual Distribution Certificate of the Guarantor, executed by an Authorized Company Representative; and (b) in the case of an Annual Distribution Certificate of any other person, by such person, if an individual, and otherwise by an officer, partner or other authorized representative of such person; provided that in no event shall any individual be permitted to execute any Annual Distribution Certificate in more than one capacity.
3. Authorized Company Representative: Any director of the Guarantor or any other person or persons at the time designated to act on behalf of the Guarantor by a written Annual Distribution Certificate, signed on behalf of the Guarantor by any one of its managing directors and furnished to the Administrative Agent, containing the specimen signature of each such person.
4. Common B Members: Certain members of the Guarantor's senior management who have received non-control equity interests in Group pursuant to Group's operating agreement.
5. Continuing Care Project: A continuing care retirement community project developed, constructed, operated and/or managed by the Guarantor or any of the Related Entities.
6. Controlling Entity: Any firm, trust, corporation, partnership, limited partnership, limited liability company or other form of legal entity (excluding natural persons) which (1) controls the Guarantor or any other entity described in this definition or (2) is a stockholder, partner, member, joint venturer, trustee, guardian or fiduciary of the Guarantor or of any entity described in this definition.
7. Deferred Compensation Plan: The deferred compensation plan of the Guarantor effective as of March 1, 1998 whereby certain members of the Guarantor's senior management and other highly compensated employees may defer annual compensation for tax-planning purposes.
8. Distribution: The payment of any dividends, equity distributions, return on capital, investment earnings, or any other sum of money on account of a member's interest in the Guarantor, to any Person, including a Related Entity. In addition, for the purposes of this Agreement, (a) the terms "Distribution" or "Distributions" also include (i) any payment or funding on account of the Growth Participation Plan, the Deferred Compensation Plan,

distributions to Common B Members or any profit sharing plan of the Guarantor; and (ii) any payment to any officer of the Guarantor other than (A) such officer salary, (B) an annual bonus paid to such officer in the ordinary course of business, (C) any payment on account of a severance agreement with an officer in the ordinary course of business, or (D) any payment or other compensation for work performed or services rendered as outlined in the Guarantor's policy manual, management contract, employment contract or other such record and (b) the terms "Distribution" or "Distributions" also include loans by the Guarantor to current, retiring or retired members, officers, directors or employees of the Guarantor against Distributions or against the right to receive Distributions, except for such loans permitted by the provisions of Section 8.10 and Section 8.14.

9. Group Distributions: The Distributions specified in Section 8.10(b).
10. Group: Erickson Group, LLC, the sole member of the Guarantor.
11. Growth Participation Plan: The Growth Participation Plan of Group effective as of September 1, 1998, as it may be amended or supplemented.
12. Indebtedness: Any (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of property, (iii) the amount of any other obligations (including obligations under financing leases) which would (except for the amount thereof being immaterial) be shown as a liability on a balance sheet prepared in accordance with generally accepted accounting principles, and (iv) guarantees of any such obligation of a third party, but excluding trade debt incurred in the ordinary course of business.
13. Landowner: A Related Entity which either (i) owns the land on which a Continuing Care Project is located, or (ii) ground leases the land on which a Continuing Care Project is located.
14. Operator: Any entity that either leases a Continuing Care Project from a Landowner or has acquired a Continuing Care Project and initially hires the Guarantor to manage such Continuing Care Project.
15. Parity Debt: Collectively, the Securities and any other Indebtedness issued and outstanding which states by its terms that it is on a pari passu basis in right of payment and security except as to funds created hereunder for any Series of Securities to the Securities; and for which, in the case of Indebtedness other than the Securities, the Administrative Agent shall have received from the Guarantor and the lender thereof a notice of the incurrence or issuance of such Indebtedness certifying the status of such Indebtedness as Parity Debt, in order for such Indebtedness to qualify as Parity Debt hereunder. Such notice shall identify the principal amount of the Indebtedness.
16. Related Entity: Any firm, trust, corporation, partnership, limited partnership, limited liability company, limited liability partnership or other form of legal entity (excluding natural persons) which (1) controls, is controlled by or is under common control with, the Guarantor or any other entity described in this definition, or (2) is a stockholder, partner, member, joint venturer, trustee, guardian or fiduciary of or with the Guarantor or of or with any entity described in this definition. Anything to the contrary in this definition

notwithstanding, the term "Related Entity" includes Landowners but excludes (i) Operators (provided the Company does not have an ownership interest therein), (ii) The Equitable Life Assurance Society of the United States, a New York corporation, or any other institutional investor, in its capacity as an investor in one or more Landowners or Projects, (iii) The Erickson Foundation, Inc., a Maryland non-profit corporation, (iv) The John and Nancy Erickson Charitable Remainder Unitrust and The John and Nancy Erickson Charitable Remainder Unitrust II, each a trust created under the laws of the State of Maryland, and (v) J & N Entities (as defined in Section 3.78 herein).

17. Sale Distribution: The meaning specified in Section 8.10(c).
18. Securities: The Series 2007 Securities and any Additional Securities.
19. Senior Indebtedness: Any obligation of the Guarantor for the payment of money (other than Distributions) whether now or hereafter incurred, other than the Securities, Parity Debt and Mezzanine Financing, including all deferrals, renewals, extensions or refinancings of or amendments, modifications or supplements to, obligations of the kind described in this definition. Senior Indebtedness does not include, and shall not include, any obligation to pay money to Mr. John C. Erickson, Nancy Erickson, any Controlling Entity or any family member of Mr. John C. Erickson.
20. Series 2007 Securities: The Erickson Retirement Communities, LLC Subordinated Taxable Adjustable Mezzanine Put SecuritiesSM (STAMPSSM) Series 2007.
21. Subordinated Debt: Indebtedness (a) with respect to which no payment shall be made if there is an Event of Default under this Agreement or under Senior Indebtedness, (b) which states by its terms that it shall be unsecured and in all respects subordinated to the Securities and Parity Debt, and (c) with respect to which the lender of such Subordinated Debt and the Guarantor delivers to the Administrative Agent a written acknowledgment of, and consent to, the provisions of Section 8.11 herein.
22. Tax Distributions: Distributions to be made by the Guarantor or Borrower to its respective members, in each calendar year, in an amount equal to the income tax liability attributable to its members for federal, state or local taxes on account of attribution under the United States Internal Revenue Code of income of the Guarantor or Borrower, respectively, if any, to such members.

SCHEDULE XIII

REQUEST FOR DISBURSEMENT

Request No.	
Date	
Amount Requested	\$

TO: KeyBank National Association
127 Public Square
Cleveland, Ohio 44114
Attention: Charles J. Shoop, Senior Vice President

RE: Construction Loan Agreement (the "Agreement"), dated as of April 16, 2008,
between KeyBank National Association (the "Administrative Agent") and Columbus
Campus, LLC (the "Borrower").

Project known as: Hickory Chase located at 4383 Davidson Road,
Hilliard, Franklin County, Ohio 43026

In accordance with the terms of the Agreement, you are hereby authorized and requested to make disbursement of funds held by you in the amount shown by the attached budget for Construction Phase (the "Budget") spreadsheet, which is incorporated herein by this reference and made a part hereof, and which indicates the line items from the Budget from which funds are requested. Attached hereto are invoices supporting the disbursement requested and lien releases/waivers supporting the amount previously disbursed for hard costs. All capitalized terms herein have the meanings ascribed to them in the Agreement.

The undersigned hereby certify that:

- i. The labor, services, and/or materials covered hereby have been performed upon or furnished in connection with the Project Improvements;
- ii. All construction of the Project Improvements to date has been performed in accordance with the Plans and Specifications and there have been no changes in the Plans and Specifications except as have been approved by Administrative Agent in accordance with the terms of the Agreement;
- iii. To its knowledge, no default and no event or condition which, with the passage of time or the giving of notice or both, would constitute a default under the Construction Contract, has occurred or exists as of the date hereof;
- iv. There have been no changes in the scope or time of performance of the work of construction, nor any extra work, labor, or materials ordered or contracted for, except as have been approved by Administrative Agent in accordance with the terms of the Agreement;
- v. The Loan proceeds hereby requested for construction costs will pay all sums payable to-date for any labor, materials, and services furnished in connection with construction of the Project Improvements;

- vi. All amounts previously disbursed by you for all hard and soft costs as set forth in the Budget spreadsheet pursuant to previous Requests for Disbursement have been paid to the parties entitled thereto, with the proper designation of contract and account for which payment was made;
- vii. No change is required in the Budget or any category thereof, except as have been approved by Administrative Agent in accordance with the terms of the Agreement;
- viii. All amounts previously recognized as Loan proceeds have been paid to the parties entitled there to as approved by Administrative Agent;
- ix. All conditions of the Agreement for the disbursement of the Loan proceeds hereby requested have been fulfilled, and no Event of Default and no event or condition which, with the passage of time or the giving of notice or both, would constitute an Event of Default under the Agreement, has occurred or exists as of the date hereof.
- x. The undersigned confirms that he/she/they is/are authorized to make this request on behalf of Borrower; and
- xi. The undersigned hereby requests that Loan proceeds advanced under this request be disbursed as follows:

AMOUNT: \$ _____

Credit : _____

In Name of: _____

OR

AMOUNT: \$ _____

Wired to: _____

ABA Routing No.: _____

Credit: _____

Account Name: _____

Reference: _____

Phone Advise: _____

OR

AMOUNT: \$ _____

Credit: _____

(Signature Page Attached)

WITNESS/ATTEST

BORROWER:

**COLUMBUS CAMPUS, LLC, a Maryland limited
liability company**

**By: Erickson Retirement Communities, LLC,
Sole Member**

**By: _____ (SEAL)
Gerald F. Doherty
Executive Vice President**

SCHEDULE XIV

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

DATE: _____, 20____

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is dated as of this _____ day of _____, _____, and is made by and between _____ ("Assignor") and _____ ("Assignee").

PRELIMINARY STATEMENT

Assignor is a party to that certain Construction Loan Agreement dated as of April ____, 2008, (the Construction Loan Agreement, as the same may be amended, supplemented, restated or otherwise modified from time to time shall be referred to herein as the "Loan Agreement"), by and between Columbus Campus, LLC ("Borrower"), and KeyBank National Association, as a lender and as Lead Arranger and Administrative Agent and the lenders named therein (collectively, "Lender"). Pursuant to the Loan Agreement, Lender agreed to make a loan of up to _____ Dollars (\$_____.00) (the "Loan") to Borrower to finance Project described in the Loan Agreement. Assignee desires to purchase from Assignor an undivided interest in the Loan under the terms and conditions set forth herein. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

AGREEMENT

Assignor and Assignee, in consideration of the matters described in the foregoing Preliminary Statement, which are incorporated herein, and in consideration of the mutual covenants and agreements and provisions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, do hereby covenant and agree as follows:

1. Assignment and Assumption. Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, an undivided interest in and to the Loan and the Loan Documents and Assignor's rights and obligations thereunder, which interest shall equal a percentage of _____% and a corresponding Commitment in the maximum amount of \$_____, such that after giving effect to this assignment (i) the Assignee shall hold a Percentage of the Loan equal to _____% and a Commitment in the maximum amount of \$_____, together with the outstanding rights and obligations under the Loan Agreement and the other Loan Documents in connection with such Commitment; and (ii) Assignor shall hold a Percentage of the Loan equal to _____% and a Commitment in the maximum amount of \$_____.

2. Effective Date. The effective date of this Agreement (the "Effective Date") shall be _____, _____, which shall be no earlier than three (3) Business Days prior to receipt by the Administrative Agent of a fully executed copy of this Agreement. As of the Effective Date, (i) the Assignee shall have the rights and obligations of a Lender under the Loan Documents with respect to the rights and obligations assigned to the Assignee hereunder, the assumption of such obligations by Assignee inuring to the direct benefit of Borrower, and (ii) the

Assignor shall relinquish its rights and be released from its corresponding obligations under the Loan Documents with respect to the rights and obligations assigned to the Assignee hereunder.

3. Payment Obligations. On the Effective Date the Assignee shall pay to Assignor the outstanding principal balance in respect of the interest purchased hereunder. Accrued and unpaid interest shall be prorated when received from the Borrower. The Assignee shall advance funds directly to the Administrative Agent with respect to all advances and reimbursement payments to be made on or after the Effective Date with respect to the interest assigned hereby. Assignee shall not be entitled to any interest or fees, of any nature, paid by the Borrower to Assignor pursuant to the Loan Agreement and the other Loan Documents or otherwise owed to Assignor prior to the Effective Date.

4. Representations of the Assignor; Limitations on the Assignor's Liability. The Assignor represents and warrants that (a) it is the legal and beneficial owner of the interest being assigned by it hereunder and (b) that such interest is free and clear of any adverse pledge, security interest, claim or other lien or encumbrance. It is understood and agreed that the assignment and assumption hereunder are made without recourse to the Assignor and that the Assignor makes no other representation or warranty of any kind to the Assignee. Neither the Assignor, nor any of its officers, directors, employees, agents or attorneys shall be responsible for (i) the due execution, legality, validity, enforceability, genuineness, sufficiency or collectability of any Loan Document, including without limitation, documents granting the Assignor and the other Lenders a security interest in assets of the Borrower or any guarantor, (ii) any representation, warranty or statement made in or in connection with any of the Loan Documents, (iii) the financial condition or creditworthiness of the Borrower, (iv) the performance of or compliance with any of the terms or provisions of any of the Loan Documents, (v) inspecting any of the property, books or records of the Borrower, (vi) the validity, enforceability, perfection, priority, condition, value or sufficiency of any collateral securing or purporting to secure the Loan, or (vii) any mistake, error of judgment, or action taken or omitted to be taken in connection with the Loan or the Loan Documents. This Section shall survive the assignment of the interest assigned herein.

5. Representations and Covenants of the Assignee. The Assignee (i) confirms that it has received a copy of the Loan Agreement, together with copies of such financial statements, Loan Documents and other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement, (ii) agrees that it will, independently and without reliance upon Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, (iii) appoints and authorizes the Administrative Agent to take such action on its behalf and to exercise such powers under the Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto, (iv) agrees for the benefit of Borrower and the other Lenders that it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Bank, (v) agrees that its payment instructions and notice instructions are as set forth in Schedule 1, (vi) confirms that none of the funds, monies, assets or other consideration being used to make the purchase and assumption hereunder are "plan assets" as defined under ERISA and that its rights, benefits and interests in and under the Loan Documents will not be "plan assets" under ERISA, and (vii) attaches the forms prescribed by the Internal Revenue Service of the United States certifying that the Assignee is

entitled to receive payments under the Loan Documents without deduction or withholding of any United States federal income taxes.

6. Subsequent Assignments. After the Effective Date, the Assignee shall have the right pursuant to Article 24 of the Loan Agreement to assign the rights which are assigned to the Assignee, provided that any such subsequent assignment does not violate any of the terms and conditions of the Loan Documents or any law, rule, regulation, order, writ, judgment, injunction or decree and that any consent required under the terms of the Loan Documents has been obtained.

7. Entire Agreement. This Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

8. Governing Law. This Agreement shall be governed by the internal law, and not the law of conflicts, of the State of Ohio.

9. Notices. Notices shall be given under this Agreement in the manner set forth in the Loan Agreement.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the date first above written.

ASSIGNOR:

By: _____

Name: _____

Title: _____

ASSIGNEE:

By: _____

Name: _____

Title: _____

CONSENTED TO:

KEYBANK NATIONAL ASSOCIATION

By: _____

Name: _____

Title: _____

[ADD BORROWER CONSENT IF REQUIRED]

SCHEDULE XV

Patriot Act and OFAC Transferee and Assignee Identifying Information Form

1. Patriot Act Checklist

ADDITIONAL LENDER REQUIRED INFORMATION	
Name:	
Identification (a) (US Company) TIN (b) (Non-US) Gov't issued document certifying existence	(a) _____ (b) _____
Phone Number	
BUSINESS REPRESENTATIVE REQUIRED INFORMATION person who will execute documents	
Name	
Residential Address	
Date of Birth	
Form of Identification (a) (US Citizen) Social Security Number (b) (No-US) TIN, Passport Number (country of issuance, number & date), or Alien Identification Number	(a) _____ (b) _____

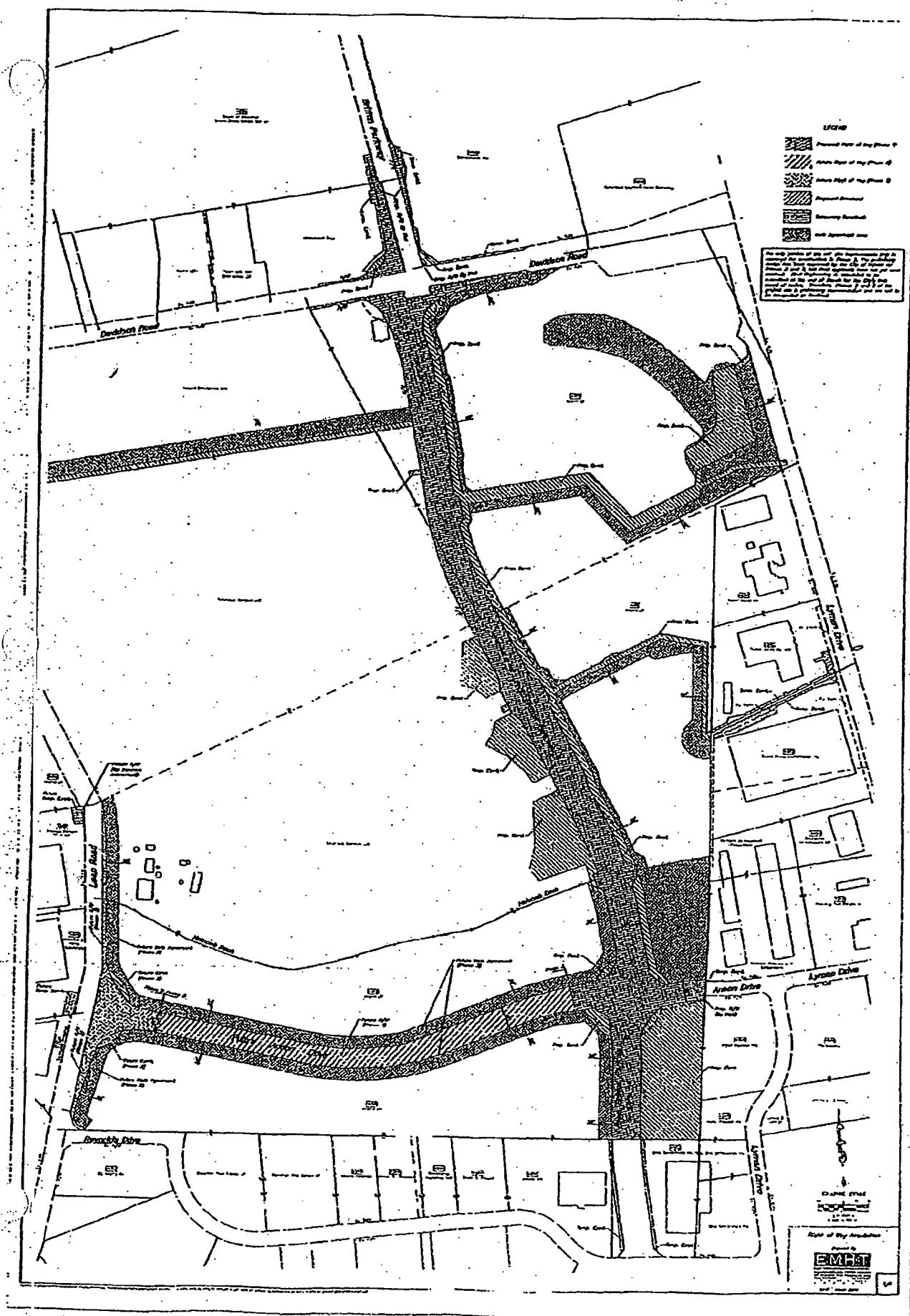
2. OFAC Checklist:

Name:	
Co-Lenders	
General Partner/Managing Member/Trustee	
Limited Partners/Members/Beneficiaries	

SCHEDULE XVI

PLAT SHOWING INFRASTRUCTURE IMPROVEMENTS

See next page



SCHEDULE XVII

**HICKORY CHASE COMMUNITY AUTHORITY INFRASTRUCTURE
IMPROVEMENTS BUDGET**

(To be provided post-closing)

SCHEDULE XVII

Revised: March 28, 2008

Estimated costs of the Infrastructure Improvements broken down by Exhibit

Exhibit A - Construction of Anson Drive Extension

Totals:

Design/Engineering	\$ 225,000	
Bidding	\$ 3,000	
Construction Management	\$ 116,550	
Construction Layout Stakes	\$ 40,000	
Right-of-Way	\$ -	
Utilities	\$ -	
Construction	\$ 1,940,000	
Plan Review/Inspection*	\$ 155,200	
	<u>\$ 2,484,750</u>	\$ 2,484,750

Exhibit B - Construction of Britton Parkway from Reynolds Drive through Davidson Road

Design/Engineering	\$ 1,106,000	
Bidding	\$ 40,000	
Construction Management	\$ 384,700	
Construction Layout Stakes	\$ 120,400	
Right-of-Way	\$ 194,800	
Utilities	\$ 46,000	
Construction	\$ 7,668,700	
Plan Review/Inspection*	\$ 613,500	
Electric Power	\$ 26,000	
	<u>\$ 10,200,100</u>	
Water Line Construction	\$ 471,360	
Plan Review/Inspection*	\$ 37,710	
	<u>\$ 509,070</u>	
Sanitary Sewer Construction	\$ 345,400	
Plan Review/Inspection*	\$ 27,640	
	<u>\$ 373,040</u>	\$ 11,082,210

SCHEDULE XVII

Revised: March 28, 2008

Exhibit C - Leap Road Improvements from Reynolds Drive to north of Anson Drive

Design/Engineering	\$	289,000	
Bidding	\$	8,000	
Construction Management	\$	110,125	
Construction Layout Stakes	\$	45,000	
Right-of-Way	\$	6,700	
Utilities	\$	564,000	
Construction	\$	1,649,000	
Plan Review/Inspection*	\$	131,920	
	\$	<u>2,803,745</u>	\$ 2,803,745

Exhibit D - Lyman Drive Storm Sewer Improvements

			<u>Totals</u>
Design/Engineering	\$	-	
Bidding	\$	-	
Construction Management	\$	-	
Construction Layout Stakes	\$	4,500	
Right-of-Way	\$	41,400	
Utilities	\$	60,000	
Construction	\$	279,600	
Plan Review/Inspection*	\$	<u>22,370</u>	
	\$	<u>407,870</u>	\$ 407,870
			<u>\$ 16,778,575</u>

Exhibit E - Public Sanitary Improvements identified in Exhibit E are included in individual project costs above.

* All plan review fees are 2% of actual costs and all inspection fees are 6% of actual cost.

Note: Construction costs are contingent upon the Hickory Chase Community Authority contracting with the apparent low bidder.

SCHEDULE XVIII

LIST OF INFRASTRUCTURE IMPROVEMENT BOND DOCUMENTS

1. Ordinance No. 7-23 of City of Hilliard, Ohio ("City"), effective as of April 26, 2007 and as amended by Ordinance No. 08-02.
2. Service Payment Agreement dated June 12, 2007 between the City and Columbus Campus, LLC ("Borrower"), as amended by an Amendment to Service Payment Agreement dated January 29, 2008.
3. Developer's Agreement dated April 16, 2008 between the Hickory Chase Community Authority (the "Authority") and the City.
4. Compensation Agreement dated June 12, 2007 between the City and the Hilliard City School District ("School District"), as amended by Amendment to Compensation Agreement dated January 21, 2008.
5. Minimum Value Guarantee Agreement dated January 21, 2008 between the Borrower and the School District.
6. Declaration of Covenants and Restrictions for Hickory Chase Community Authority dated April 16, 2008 by the Borrower.
7. Intergovernmental Cooperation Agreement dated as of April 1, 2008 by and among the Authority, the City and Wells Fargo Bank, National Association ("Trustee").
8. Resolution No. 2008-02 of the Board of Trustees Hickory Chase Community Authority, dated February 19, 2008.
9. Administration Agreement dated as of April 1, 2008 by and among MuniCap, Inc., the Authority and the Trustee.
10. Developer Services Agreement dated as of April 1, 2008 between the Authority and the Borrower.
11. Trust Agreement dated as of April 1, 2008 between the Authority and the Trustee.

EXHIBIT 2

April 16, 2008

Hilliard, Ohio
\$20,000,000.00

REVOLVING LOAN NOTE

FOR VALUE RECEIVED, the undersigned (hereinafter, the "Borrower") promises to pay to the order of KeyBank National Association (the "Lender") at the Lender's offices at 127 Public Square, Cleveland, Ohio 44114 or at such other place as the holder of this Note may from time to time designate, the principal sum of Twenty Million and 00/100 Dollars (\$20,000,000.00) (or so much thereof as has been advanced or readvanced hereunder from time to time) together with interest thereon at the rate hereinafter provided and any and all other sums which may be owing to the holder of this Note by the Borrower, on March 1, 2015 (the "Maturity Date") which is the final and absolute due date of this Note, or on such earlier date specified by KeyBank National Association, in its capacity as Lead Arranger and Administrative Agent ("Administrative Agent") if demand for prepayment of this Note is made pursuant to Section 5 hereof or if this Note is accelerated pursuant to Section 7 hereof. The following terms shall apply to this Note:

1. **Definitions.** The following terms as used herein shall have the following meanings:

(a) "Adjusted LIBOR Rate" shall mean for any LIBOR Rate Interest Period, an interest rate per annum equal to the sum of (A) the rate obtained by dividing (i) the LIBOR Rate for such LIBOR Rate Interest Period by (ii) a percentage equal to one hundred percent (100%) minus the Reserve Percentage for such LIBOR Rate Interest Period and (B) the LIBOR Rate Margin.

(b) "Adjusted Prime Rate" shall mean a rate per annum equal to the sum of (A) the Prime Rate Margin and (B) the greater of (i) the Prime Rate or (ii) one percent (1%) in excess of the Federal Funds Effective Rate. Any change in the Adjusted Prime Rate shall be effective immediately from and after a change in the Adjusted Prime Rate (or the Federal Funds Effective Rate, as applicable).

(c) "Breakage Costs" shall mean the cost to Lender of re-employing funds bearing interest at an Adjusted LIBOR Rate, incurred (or expected to be incurred) in connection with (i) any payment of any portion of amounts advanced hereunder bearing interest at an Adjusted LIBOR Rate prior to the termination of any applicable LIBOR Rate Interest Period, (ii) the conversion of an Adjusted LIBOR Rate to any other applicable interest rate on a date other than the last day of the relevant LIBOR Rate Interest Period, or (iii) the failure of Borrower to draw down, on the first day of the applicable LIBOR Rate Interest Period, any amount as to which Borrower has elected a LIBOR Rate Option.

(d) "Business Day" shall mean a day of the year on which banks are not required or authorized to close in Cleveland, Ohio.

(e) "Default Rate" shall mean a rate per annum equal to three percentage points (300 basis points) in excess of the Applicable Rate, but not at any time in excess of the highest rate permitted by law.

(f) "Federal Funds Effective Rate" shall mean, for any day, the rate per annum (rounded upward to the nearest one-hundredth of one percent (1/100 of 1%)) announced by the Federal Reserve Bank of Cleveland on such day as being the weighted average of the rates on overnight federal funds transactions arranged by federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the "Federal Funds Effective Rate."

(g) "Governmental Authority" shall mean any federal, state, county or municipal government, or political subdivision thereof, any governmental or quasi-governmental agency, authority, board, bureau, commission, department, instrumentality, or public body, or any court, administrative tribunal, or public utility.

(h) "Laws" shall mean, collectively, all federal, state and local laws, statutes, codes, ordinances, orders, rules and regulations, including judicial opinions or precedential authority in the applicable jurisdiction.

(i) "LIBOR Business Day" shall mean a Business Day on which dealings in U.S. dollars are carried on in the London Interbank Market.

(j) "LIBOR Rate" shall mean for any LIBOR Rate Interest Period, the average rate (rounded upwards to the nearest 1/16th) as shown by Reuters at which deposits in U.S. dollars are offered by first class banks in the London Interbank Market at approximately 11:00 a.m. (London time) on the day that is two (2) LIBOR Business Days prior to the first day of such LIBOR Rate Interest Period with a maturity approximately equal to such LIBOR Rate Interest Period and in an amount approximately equal to the amount to which such LIBOR Rate Interest Period relates, adjusted for reserves and taxes if required by future regulations. If Reuters no longer reports such rate or Administrative Agent determines in good faith that the rate so reported no longer accurately reflects the rate available to Lender in the London Interbank Market, Administrative Agent may select a replacement index.

(k) "LIBOR Rate Interest Period" shall mean with respect to each amount bearing interest at a LIBOR based rate, a period of one, two or three months, to the extent deposits with such maturities are available to Administrative Agent, commencing on a LIBOR Business Day, as selected by Borrower provided, however, that (i) any LIBOR Rate Interest Period which would otherwise end on a day which is not a LIBOR Business Day shall continue to and end on the next succeeding LIBOR Business Day, unless the result would be that such LIBOR Rate Interest Period would be extended to the next succeeding calendar month, in which case such LIBOR Rate Interest Period shall end on the next preceding LIBOR Business Day, (ii) any LIBOR Rate Interest Period which begins on a day for which there is no numerically corresponding date in the calendar month in which such LIBOR Rate Interest Period would otherwise end shall instead end on the last LIBOR Business Day of such calendar month, and (iii) Borrower may not select a LIBOR Rate Interest Period which would end after the Maturity Date.

(l) "LIBOR Rate Margin" shall mean three and three-quarters percentage points (375 basis points) per annum.

(m) "Prime Rate" shall mean that interest rate established from time to time by KeyBank National Association as its prime rate, whether or not such rate is publicly announced; the Prime Rate may not be the lowest interest rate charged by KeyBank National Association for commercial or other extensions of credit.

(n) "Prime Rate Margin" shall mean three quarters percent (¾%) per annum.

(o) "Reserve Percentage" shall mean for any LIBOR Rate Interest Period, that percentage which is specified three (3) Business Days before the first day of such LIBOR Rate Interest Period by the Board of Governors of the Federal Reserve System (or any successor) or any other governmental or quasi-governmental authority with jurisdiction over Lender for determining the maximum reserve requirement (including, but not limited to, any marginal reserve requirement) for Lender with respect to liabilities constituting of or including (among other liabilities) Eurocurrency liabilities in an amount equal to that portion of amounts advanced hereunder affected by such LIBOR Rate Interest Period and with a maturity equal to such LIBOR Rate Interest Period.

2. Interest Rate.

(a) The principal amount hereof outstanding from time to time shall bear interest until paid in full at the Applicable Rate, unless the Default Rate is applicable. The Adjusted Prime Rate shall be the "Applicable Rate", except that the Adjusted LIBOR Rate shall be the "Applicable Rate" with respect to portions advanced hereunder as to which a LIBOR Rate Option (hereinafter defined) is then in effect. For each disbursement of proceeds advanced hereunder, Borrower shall deliver to Administrative Agent irrevocable notice (which may be (A) verbal notice provided that Borrower delivers to Administrative Agent facsimile confirmation within twenty four (24) hours of such verbal notice or (B) electronic mail notice within twenty four (24) hours of such verbal notice) of the requested amount of such disbursement (x) if such disbursement is to bear interest at the Adjusted Prime Rate, not later than 11:00 a.m. Cleveland time on the second Business Day prior to the desired date of disbursement and (y) if such disbursement is to bear interest at an Adjusted LIBOR Rate, not later than 11:00 a.m. Cleveland time on the third Business Day prior to the desired date of disbursement. Borrower shall pay interest in arrears on the first day of every calendar month in the amount of all interest accrued and unpaid. All payments (whether of principal or of interest) shall be deemed credited to Borrower's account only if received by 12:00 noon Cleveland time on a Business Day; otherwise, such payment shall be deemed received on the next Business Day.

(b) Provided that no Event of Default exists, Borrower shall have the option (the "LIBOR Rate Option") to elect from time to time in the manner and subject to the conditions hereinafter set forth an Adjusted LIBOR Rate as the Applicable Rate for all or any portion advanced hereunder which would otherwise bear interest at the Adjusted Prime Rate.

(c) The only manner in which Borrower may exercise the LIBOR Rate Option is by giving Administrative Agent irrevocable notice (which may be verbal notice provided that Borrower delivers to Administrative Agent facsimile confirmation in the form of Exhibit A attached hereto within twenty-four (24) hours) of such exercise not later than 11:00 a.m. Cleveland time on the second LIBOR Business Day prior to the proposed commencement of the

relevant LIBOR Rate Interest Period, which written notice shall specify: (i) the portion advanced hereunder with respect to which Borrower is electing the LIBOR Rate Option, (ii) the LIBOR Business Day upon which the applicable LIBOR Rate Interest Period is to commence and (iii) the duration of the applicable LIBOR Rate Interest Period. The Applicable Rate for any portion advanced hereunder with respect to which Borrower has elected the LIBOR Rate Option shall revert to the Adjusted Prime Rate as of the last day of the LIBOR Rate Interest Period applicable thereto (unless Borrower again exercises the LIBOR Rate Option for such portion of the Loan). Administrative Agent shall be under no duty to notify Borrower that the Applicable Rate on any portion advanced hereunder is about to revert from an Adjusted LIBOR Rate to the Adjusted Prime Rate. The LIBOR Rate Option may be exercised by Borrower only with respect to any portion advanced hereunder equal to or in excess of \$500,000. At no time may there be more than four (4) LIBOR Rate Interest Periods in effect with respect to amounts advanced hereunder. Notwithstanding the foregoing, if Borrower shall elect a LIBOR Rate Option, only so much of the outstanding principal amount of this Note as would not become due and payable during the applicable LIBOR Rate Interest Period shall accrue interest at the Adjusted LIBOR Rate and the remaining principal balance shall accrue interest at the Adjusted Prime Rate.

(d) If Administrative Agent determines (which determination shall be conclusive and binding upon Borrower, absent manifest error) (i) that Dollar deposits in an amount approximately equal to the portion of amounts advanced hereunder for which Borrower has exercised the LIBOR Rate Option for the designated LIBOR Rate Interest Period are not generally available at such time in the London interbank market for deposits in Dollars, (ii) that the rate at which such deposits are being offered will not adequately and fairly reflect the cost to Lender of maintaining a LIBOR Rate on such portion of amounts advanced hereunder or of funding the same for such LIBOR Rate Interest Period due to circumstances affecting the London interbank market generally, (iii) that reasonable means do not exist for ascertaining a LIBOR Rate, or (iv) that an Adjusted LIBOR Rate would be in excess of the maximum interest rate which Borrower may by law pay, then, in any such event, Administrative Agent shall so notify Borrower and all portions of amounts advanced hereunder bearing interest at an Adjusted LIBOR Rate that are so affected shall, as of the date of such notification with respect to an event described in clause (ii) or (iv) above, or as of the expiration of the applicable LIBOR Rate Interest Period with respect to an event described in clause (i) or (iii) above, bear interest at the Adjusted Prime Rate until such time as the situations described above are no longer in effect or can be avoided by Borrower exercising a LIBOR Rate Option for a different LIBOR Rate Interest Period.

(e) Interest at the Applicable Rate (or Default Rate) shall be calculated for the actual number of days elapsed on the basis of a 360-day year, including the first date of the applicable period to, but not including, the date of repayment.

(f) Borrower shall pay all Breakage Costs incurred from time to time by Lender upon demand within fifteen (15) Business Days of receipt of written notice from Administrative Agent.

(g) If the introduction of or any change in any Law, regulation or treaty, or in the interpretation thereof by any Governmental Authority charged with the administration or interpretation thereof, shall make it unlawful for Lender to maintain the Applicable Rate at an

Adjusted LIBOR Rate with respect to amounts advanced hereunder or any portion thereof, or to fund the Loan or any portion thereof in Dollars in the London interbank market, or to give effect to its obligations regarding the LIBOR Rate Option as contemplated by the Loan Documents, then (1) Administrative Agent shall notify Borrower that Lender is no longer able to maintain the Applicable Rate at an Adjusted LIBOR Rate, (2) the LIBOR Rate Option shall immediately terminate, (3) the Applicable Rate for any portion of amounts advanced hereunder for which the Applicable Rate is then an Adjusted LIBOR Rate shall automatically be converted to the Adjusted Prime Rate, and (4) Borrower shall pay to Administrative Agent the amount of Breakage Costs (if any) incurred by Lender in connection with such conversion. Thereafter, Borrower shall not be entitled to exercise the LIBOR Rate Option until such time as the situation described herein is no longer in effect or can be avoided by Borrower exercising a LIBOR Rate Option for a LIBOR Rate Interest Period.

3. Repayment. This Note is one of the Notes referred to in, and is entitled to the benefits of, the Construction Loan Agreement among the Lender, the other lenders referred to therein (the "Other Lenders"), the Borrower, and the Administrative Agent, of even date herewith (the "Loan Agreement"). The outstanding principal amount of this Note and the other Notes shall be repaid pro rata as provided for in the Loan Agreement, on the fifteenth (15th) and the later of the twenty-eighth (28th), the twenty-ninth (29th) or the thirtieth (30th) days of each calendar month from and to the extent of (a) one hundred percent (100%) of all Initial Entrance Deposits (as described in the Loan Agreement) which are deposited into the Trust Account (as described in the Loan Agreement) or otherwise loaned to Borrower by Tenant (as defined in the Loan Agreement), and (b) one hundred percent (100%) of all payments (principal and interest) received by the Borrower under the Working Capital Loan Documents described in the Loan Agreement. This Note shall also be subject to mandatory prepayment on the terms set forth in Section 5 hereof. Unless required to be paid sooner under the terms of this Note, the entire outstanding principal amount hereof together with any accrued and unpaid interest, as well as any other fees and charges due hereunder, shall be due and payable in full on the Maturity Date.

4. Application of Payments. All payments made hereunder shall be applied first to late fees or other sums owing to the holder, next to accrued interest, and then to principal.

5. Prepayment. The Borrower may prepay this Note and the other Notes, pro rata, as provided for in the Loan Agreement, in whole or in part at any time or from time to time without premium or penalty. This Note is subject to mandatory prepayment at the option of the Lender, acting through the Administrative Agent, in the Lender's sole discretion, but subject to and in accordance with the terms of the Loan Agreement, in an amount equal to the unpaid principal balance, all accrued and unpaid interest and all other amounts due hereunder, at any time between December 1, 2010 and June 1, 2011 (the "Mandatory Prepayment Period"). The Lender, through the Administrative Agent, may make demand for prepayment by written notice to the Borrower at any time during the Mandatory Prepayment Period, and the Borrower shall have a period of ninety (90) days following receipt of any such notice from the Administrative Agent in which to pay this Note in full. Notwithstanding the foregoing, the Lender, through the Administrative Agent, may (but shall have no obligation to) give written notice of mandatory prepayment prior to the commencement of the Mandatory Prepayment Period, and if the Lender does so the Lender, through the Administrative Agent, need not give a second notice once such Mandatory Prepayment Period commences, but the ninety (90) day period in which Borrower

may pay this Note upon demand shall not commence until the date the Mandatory Prepayment Period begins.

6. Late Charge. Any and all amounts due hereunder or under the other Loan Documents which remain unpaid more than five (5) days after the date said amount was due and payable shall incur a fee (the "Late Charge") of four percent (4%) per annum of said amount, which payment shall be in addition to all of Administrative Agent's or Lender's other rights and remedies under the Loan Documents, provided that no Late Charge shall apply to the final payment of principal on the Maturity Date.

7. Acceleration Upon Default. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of an Event of Default as defined in the Loan Agreement or in any other Loan Document referenced or incorporated by reference therein (individually, a "Loan Document," and collectively, the "Loan Documents"), the Administrative Agent may, in the Administrative Agent's sole and absolute discretion, but subject to the terms and conditions of the Loan Agreement, and without notice or demand (unless otherwise specifically required under an applicable Loan Document), declare the entire unpaid balance of principal plus accrued interest and any other sums due hereunder immediately due and payable.

8. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any Event of Default as defined in the Loan Agreement or in any of the other Loan Documents, the Administrative Agent may raise the rate of interest accruing on the disbursed unpaid principal balance to the Default Rate, independent of whether the Administrative Agent elects to accelerate the unpaid principal balance as a result of such default.

9. Confession of Judgment: Jurisdiction and Venue. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any Event of Default as defined in the Loan Agreement or in any of the other Loan Documents, the Borrower authorizes any attorney admitted to practice before any court of record in the United States or any clerk of any court of record to appear for it, waive the issuing and service of process and confess judgment on behalf of the Borrower against the Borrower in favor of the Administrative Agent and the Lender for and in the full amount due on this Note and the other Notes plus attorneys' fees of ten percent (10%) of such amount up to a maximum for attorneys' fees of Three Hundred Thousand Dollars (\$300,000) (but this provision shall not limit the obligation of the Borrower to pay all reasonable attorneys' fees incurred by the Administrative Agent, the Lender and the Other Lenders). The Administrative Agent and the Lender agree that in attempting to satisfy or enforce any judgment by confession obtained against the Borrower in connection with this Note and the other Notes, the Lender, the Administrative Agent, and the Other Lenders shall not seek or demand, solely with respect to attorneys' fees incurred by the Lender, the Administrative Agent, or the Other Lenders, in connection with this Note and the other Notes, any amounts in excess of the actual amount of reasonable attorneys' fees charged or billed to the Administrative Agent, the Lender and the Other Lenders. The Lender agrees not to sell or assign any judgment obtained pursuant to this Section 9 unless the assignee agrees to be bound by the provisions of the immediately preceding sentence. In any action brought by the Administrative Agent on behalf of the Lender

under this Note, Borrower consents to the exercise of personal jurisdiction over it by the courts of the State of Ohio and agrees that venue shall be proper in any County of the State of Ohio, in addition to any other court where venue may be proper. The Borrower waives and releases, to the extent permitted by law, all errors and all rights of exemption, appeal, stay of execution, inquisition and extension upon any levy on real estate or personal property to which the Borrower may otherwise be entitled under the laws of the United States of America or of any State or Possession of the United States of America now in force or which may hereafter be passed, as well as the benefit of any and every statute, ordinance, or rule of court which may be lawfully waived conferring upon the Borrower any right or privilege of exemption, stay of execution, or supplementary proceedings, or other relief from the enforcement or immediate enforcement of a judgment or related proceedings on a judgment; provided however, that the foregoing waiver does not extend to the Borrower's rights under applicable rules of procedure, if any, to file a motion to open, vacate or modify a judgment by confession in good faith and within the timeframes permitted by such rules, which rights the Borrower does not waive. The authority and power to appear for and enter judgment against the Borrower shall be exercisable concurrently in one or more jurisdictions and shall not be exhausted or extinguished by one or more exercises thereof, or by any imperfect exercise thereof or by any judgment entered pursuant thereto. Such authority and power may be exercised on one or more occasions, from time to time, in the same or different jurisdictions, as often as the Administrative Agent on behalf of the Lender shall deem necessary or desirable.

10. Interest Rate After Judgment. If judgment is entered against the Borrower on this Note, the amount of the judgment entered (which may include principal, interest, default interest, late charges, fees and costs) shall bear interest at the highest rate authorized under this Note as of the date of entry of the judgment.

11. Expenses of Collection. Should this Note be referred to an attorney for collection, whether or not judgment has been confessed or suit has been filed, the Borrower shall pay all of the Administrative Agent's, the Lender's and the Other Lender's costs, fees (including reasonable attorneys' fees) and expenses resulting from such referral.

12. Waiver of Protest. The Borrower, and all parties to this Note, whether maker, endorser, or guarantor, waive presentment, notice of dishonor and protest.

13. WAIVER OF JURY TRIAL. THE BORROWER, AND THE ADMINISTRATIVE AGENT AND THE LENDER BY ACCEPTANCE OF THIS NOTE, HEREBY VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR UNDER OR IN CONNECTION WITH THIS NOTE, THE LOAN AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. THIS WAIVER APPLIES TO ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS AND PROCEEDINGS, INCLUDING PARTIES WHO ARE NOT PARTIES TO THIS NOTE. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY THE BORROWER WHO ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE EXECUTION OF THIS NOTE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. THE

BORROWER FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION.

14. Extensions of Maturity. All parties to this Note, whether maker, endorser, or guarantor, agree that the maturity of this Note, or any payment due hereunder, may be extended at any time or from time to time without releasing, discharging, or affecting the liability of such party.

15. Intentionally Deleted.

16. Security. This Note is secured as provided in the Loan Agreement.

17. Waiver. No waiver of any power, privilege, right or remedy (hereinafter collectively referred to as "Rights") hereunder shall be effective unless in writing. No delay on the part of the Administrative Agent or the Lender in exercising any Rights hereunder, or under any other instrument exercised by the Borrower or any other party in connection with the transaction (including the Loan Documents) shall operate as a waiver thereof, and no single or partial exercise of any such Rights (including acceptance of late payments by the Administrative Agent or the Lender) shall preclude other or further exercise thereof, or the exercise of any other Rights. Waiver by the Administrative Agent or Lender of any default by the Borrower, or any other party, shall not constitute a waiver of any subsequent defaults, but shall be restricted to the default so waived. If any provision or part of any provision of this Note shall be contrary to any law which the Administrative Agent or Lender might seek to apply or enforce, or should otherwise be defective, the other provisions, or part of such provisions, of this Note shall not be affected thereby, but shall continue in full force and effect. All Rights of the Administrative Agent and the Lender hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all Rights given hereunder or in or by any other instrument or any laws now existing or hereafter enacted.

18. Notices. All notices required or permitted hereunder shall be in writing and delivered personally or made by addressing the same to the party to whom directed at the following addresses by registered or certified mail, return receipt requested:

If to the Administrative Agent or Lender:

c/o KeyBank National Association
127 Public Square
Cleveland, Ohio 44114
Attention: Charles J. Shoop,
Senior Vice President

With a copy (which shall not constitute notice) to:

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, Suite 1800
Baltimore, Maryland 21202

If to the Borrower:

Columbus Campus, LLC
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: Chief Financial Officer

with a copy to (which shall not constitute notice) to:

General Counsel
Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228

Either party may change the address to which notices are to be sent by a writing directed to the other party in the manner aforesaid. Unless otherwise specifically provided, all notices hereunder delivered personally shall be deemed delivered upon such personal delivery, and all notices hereunder given by mail, as aforesaid, shall be deemed delivered five (5) days after deposited in a United States Post Office, general or branch, or an official mail depository, maintained by the U.S. Postal Service, enclosed in a registered or certified prepaid wrapper addressed as above provided, except notice of change of address shall be deemed served when received.

19. Choice of Law. This Note and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Ohio (excluding principles of conflicts of law), both in interpretation and performance.

20. Invalidity of Any Part. If any provision or part of any provision of this Note, or the application thereof to any facts or circumstances, shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions or the remaining part of any effective provisions of the Note, or the application of any provisions hereof to other facts or circumstances, and this Note shall be construed as if such invalid, illegal, or unenforceable provision or part thereof had never been contained herein, but only to the extent of its invalidity, illegality, or unenforceability.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

WARNING

BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.

WITNESS:

BORROWER:

COLUMBUS CAMPUS, LLC

By: Erickson Retirement Communities,
LLC, Sole Member

Kathleen King

By: Steven A. Montgomery (SEAL)
Steven A. Montgomery
Regional Vice President of Development

STATE OF OHIO)

COUNTY OF Franklin)

: to-wit:

The foregoing instrument was subscribed, sworn to and acknowledged before me the undersigned notary public, in Hilliard, Ohio on this 10 day of April 2008, by Steven A. Montgomery, Regional Vice President of Development of Erickson Retirement Communities, LLC, a Maryland limited liability company, which is the sole member of Columbus Campus, LLC.



WENDY M. KUSZMAUL Greasamar
Notary Public, State of Ohio
My Commission Expires 02-20-2011

Wendy M. Kuszmaul (SEAL)
NOTARY PUBLIC

My Commission Expires: 2-20-2011

Exhibit A

LIBOR NOTICE ELECTION

NOTICE OF LIBOR FUNDING ELECTION

KeyBank National Association
127 Public Square
Cleveland, Ohio 44114

Date: _____

Ladies and Gentlemen:

Reference is made to the Revolving Loan Note dated as of April __, 2008 made by Columbus Campus, LLC, a Maryland-limited liability company, in favor of KeyBank National Association and the other Notes identified therein (collectively, the "Notes"). The undersigned hereby gives notice pursuant to Section 2 of the Notes of its desire for a LIBOR FUNDING ELECTION of a portion of the proceeds of the loan evidenced by the Notes.

The following are the details of the LIBOR funding election to be set up as of the commencement date specified below:

1. The LIBOR funding commencement date is: _____
2. The LIBOR funding period expires: _____
3. The LIBOR funding principal amount is: _____
4. The LIBOR funding rate is LIBOR plus 3.75%, or _____

The sources for the above LIBOR are as follows (Choose as appropriate):

Prime Note Outstanding Balance:

Draw # _____ Advance:

Interest due:

Current LIBOR maturing _____:

Current LIBOR maturing _____:

Total:

The next LIBOR FUNDING ELECTION NOTIFICATION date is _____.

EXHIBIT 3

(Local Currency—Single Jurisdiction)

ISDA®

International Swap Dealers Association, Inc.

MASTER AGREEMENT

Dated as of: October 14, 2008

KeyBank National Association

and

Columbus Campus, LLC,
a Maryland limited liability company

have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement, which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows:—

1. Interpretation

(a) **Definitions.** The terms defined in Section 12 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.

(b) **Inconsistency.** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.

(c) **Single Agreement.** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

2. Obligations

(a) General Conditions.

(i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.

(ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.

(iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

(b) **Change of Account.** Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) **Netting.** If on any date amounts would otherwise be payable:—

- (i) in the same currency; and
- (ii) in respect of the same Transaction

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of branches or offices through which the parties make and receive payments or deliveries.

(d) **Default Interest; Other Amounts.** Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

3. Representations

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into) that:—

(a) **Basic Representations.**

(i) **Status.** It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation and, if relevant under such laws, in good standing;

(ii) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorise such execution, delivery and performance;

(iii) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iv) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(v) **Obligations Binding.** Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) **Absence of Certain Events.** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) **Absence of Litigation.** There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) **Accuracy of Specified Information.** All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:—

(a) **Furnish Specified Information.** It will deliver to the other party any forms, documents or certificates specified in the Schedule or any Confirmation by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) **Maintain Authorisations.** It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) **Comply with Laws.** It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

5. Events of Default and Termination Events

(a) **Events of Default.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an "Event of Default") with respect to such party:—

(i) **Failure to Pay or Deliver.** Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) **Breach of Agreement.** Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) or to give notice of a Termination Event) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) **Credit Support Default.**

- (1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;
 - (2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or
 - (3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;
- (iv) **Misrepresentation.** A representation made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;
- (v) **Default under Specified Transaction.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);
- (vi) **Cross Default.** If "Cross Default" is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);
- (vii) **Bankruptcy.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:

- (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator,

provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) **Merger Without Assumption.** The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer:—

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) **Termination Events.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, and, if specified to be applicable, a Credit Event Upon Merger if the event is specified pursuant to (ii) below or an Additional Termination Event if the event is specified pursuant to (iii) below:—

(i) **Illegality.** Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party):—

(1) to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;

(ii) **Credit Event Upon Merger.** If "Credit Event Upon Merger" is specified in the Schedule as applying to the party, such party ("X"), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or

(iii) **Additional Termination Event.** If any "Additional Termination Event" is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) **Event of Default and Illegality.** If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

6. **Early Termination**

(a) **Right to Terminate Following Event of Default.** If at any time an Event of Default with respect to a party (the "Defaulting Party") has occurred and is then continuing, the other party (the "Non-defaulting Party") may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5 (a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) **Right to Terminate Following Termination Event.**

(i) **Notice.** If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) **Two Affected Parties.** If an Illegality under Section 5(b)(i)(1) occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iii) **Right to Terminate. If:—**

(1) an agreement under Section 6(b)(ii) has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality other than that referred to in Section 6(b)(ii), a Credit Event Upon Merger or an Additional Termination Event occurs,

either party in the case of an Illegality, any Affected Party in the case of an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) **Effect of Designation.**

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(d) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) **Calculations.**

(i) **Statement.** On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) **Payment Date.** An amount calculated as being due in respect of any Early Termination Date under Section 6(c) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment), from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(c) **Payments on Early Termination.** If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss", and a payment method, either the "First Method" or the "Second Method". If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method", as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) **Events of Default.** If the Early Termination results from an Event of Default:—

(1) **First Method and Market Quotation.** If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party over (B) the Unpaid Amounts owing to the Defaulting Party.

(2) **First Method and Loss.** If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) **Second Method and Market Quotation.** If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party less (B) the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) **Second Method and Loss.** If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) **Termination Events.** If the Early Termination Date results from a Termination Event:—

(1) **One Affected Party.** If there is one Affected Party, the amount payable will be determined in accordance with Section 6(c)(i)(3), if Market Quotation applies, or Section 6(c)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) **Two Affected Parties.** If there are two Affected Parties:—

(A) If Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the

lower Settlement Amount ("Y") and (b) the Unpaid Amounts owing to X less (II) the Unpaid Amounts owing to Y; and

(B) If Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) *Adjustment for Bankruptcy.* In circumstances, where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) *Pre-Estimate.* The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

7. Transfer

Neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:—

(a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and

(b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void.

8. Miscellaneous

(a) *Entire Agreement.* This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

(b) *Amendments.* No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

(c) *Survival of Obligations.* Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.

(d) *Remedies Cumulative.* Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

(e) *Counterparts and Confirmations.*

(i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.

(f) **No Waiver of Rights.** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

(g) **Headings.** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

9. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

10. Notices

(a) **Effectiveness.** Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:—

- (i) if in writing and delivered in person or by courier, on the date it is delivered;
- (ii) if sent by telex, on the date the recipient's answerback is received;
- (iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);
- (iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or
- (v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) **Change of Addresses.** Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

11. Governing Law and Jurisdiction

(a) **Governing Law.** This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) *Jurisdiction.* With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:—

(i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) *Waiver of Immunities.* Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

12. Definitions

As used in this Agreement:—

"*Additional Termination Event*" has the meaning specified in Section 5(b).

"*Affected Party*" has the meaning specified in Section 5(b).

"*Affected Transactions*" means (a) with respect to any Termination Event consisting of an Illegality, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

"*Affiliate*" means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"*Applicable Rate*" means:—

(a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(b) in respect of an obligation to pay an amount under Section 6(c) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;

(c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and

(d) in all other cases, the Termination Rate.

"*consent*" includes a consent, approval, action, authorisation, exemption, notice, filing, registration or exchange control consent.

"Credit Event Upon Merger" has the meaning specified in Section 5(b).

"Credit Support Document" means any agreement or instrument that is specified as such in this Agreement.

"Credit Support Provider" has the meaning specified in the Schedule.

"Default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

"Defaulting Party" has the meaning specified in Section 6(a).

"Early Termination Date" means the date determined in accordance with Section 6(a) or 6(b)(iii).

"Event of Default" has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

"Illegality" has the meaning specified in Section 5(b).

"law" includes any treaty, law, rule or regulation and **"lawful"** and **"unlawful"** will be construed accordingly.

"Local Business Day" means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

"Loss" means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party's legal fees and out-of-pocket expenses referred to under Section 9. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

"Market Quotation" means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the "Replacement Transaction") that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be

selected in good faith by the party obliged to make a determination under Section 6(c), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

"Non-default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

"Non-defaulting Party" has the meaning specified in Section 6(a).

"Potential Event of Default" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Reference Market-makers" means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

"Scheduled Payment Date" means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

"Set-off" means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

"Settlement Amount" means, with respect to a party and any Early Termination Date, the sum of:—

(a) the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and

(b) such party's Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

"Specified Entity" has the meaning specified in the Schedule.

"Specified Indebtedness" means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

"Specified Transaction" means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

"Terminated Transactions" means, with respect to any Early Termination Date: (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if "Automatic Early Termination" applies, immediately before that Early Termination Date).

"Termination Event" means Illegality or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

"Termination Rate" means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

"Unpaid Amounts" owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and (b) in respect of each Terminated Transaction, for which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

KeyBank National Association

By:

Name: Mary Beth Simon
Title: Vice President

Date:

10-14-08

Columbus Campus, LLC,
a Maryland limited liability company

By: Erickson Retirement Communities, LLC,
Sole Member

By:

Name: Gerald F. Doherty
Title: Executive Vice President, General
Date: Counsel and Secretary

**SCHEDULE
TO THE
1992 ISDA MASTER AGREEMENT
(Local Currency—Single Jurisdiction)
dated as of October 14, 2008**

between

**KeyBank National Association
("Party A")**

and

**Columbus Campus, LLC,
a Maryland limited liability company
("Party B")**

Part 1. Termination Provisions.

(a) **"Specified Entity"** means in relation to Party A for the purpose of:

Section 5(a)(v): None

Section 5(a)(vi): None

Section 5(a)(vii): None

Section 5(b)(ii): None

and in relation to Party B for the purpose of:

Section 5(a)(v): Any current or future Affiliate of Party B

Section 5(a)(vi): None

Section 5(a)(vii): Any current or future Affiliate of Party B

Section 5(b)(ii): None

(b) **"Specified Transaction"** will have the meaning specified in Section 12 of this Agreement.

(c) The **"Cross Default"** provisions of Section 5(a)(vi) will apply to Party B and are hereby amended in their entirety to read as follows:

"(vi) **Cross Default.** The occurrence or existence of (1) a declared event of default in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount, and such default, or event of default has been declared as such by the holder of such Specified Indebtedness or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or after the expiration of any applicable grace period);"

(d) **"Specified Indebtedness"** will have the meaning specified in Section 12 of this Agreement.

(e) **"Threshold Amount"** means \$250,000.

- (f) The "Credit Event Upon Merger" provisions of Section 5(b)(ii) will apply to Party B.
- (g) The "Automatic Early Termination" provision of Section 6(a) will not apply to Party A or Party B.
- (h) *Payments on Early Termination.* For the purpose of Section 6(e) of this Agreement: (i) The Second Method payment method will apply, and (ii) Market Quotation will apply.
- (i) *Additional Termination Event:* For the purpose of Section 5(b)(iii) of this Agreement, it shall be an "Additional Termination Event" with Party B being the Affected Party if:
- (i) the loan or other indebtedness which relate to Transactions between the parties based on interest rates is repaid, in whole or in part, whether upon acceleration of principal, at maturity, or otherwise, or for any other reason ceases to be an obligation of Party B, with or without the consent of Party A;
 - (ii) any Credit Support Document expires, terminates, or ceases to be in full force and effect for the purpose of this Agreement unless this Agreement is expressly amended in writing to reflect that it is no longer a Credit Support Document hereunder;
 - (iii) an "Event of Default" under and as defined in the Loan Agreement (defined in clause (c) of Part 3 herein) shall have occurred;
 - (iv) the Loan Agreement shall be paid or prepaid in full, expire, terminate or otherwise cease to be in full force and effect;
 - (v) Party A shall cease to be a party to, or have any commitments under, the Loan Agreement; or
 - (vi) The Guarantor, at any time, fails to comply with the provisions of Part 4(j) herein.

Part 2. Agreement to Deliver Documents.

For the purpose of Section 4(a) of this Agreement, Party B agrees to deliver the following documents:

- (a) A certificate of an authorized officer of Party B evidencing the necessary corporate authorizations, resolutions, and approvals with respect to the execution, delivery and performance of this Agreement, and certifying the names, true signatures, and authority of the officer(s) signing this Agreement and executing Transactions hereunder.
- (b) Quarterly and annual financial statements of Party B when requested by Party A.
- (c) IRS Form W-9 of Party B when requested by Party A.

Part 3. Miscellaneous.

- (a) *Addresses for Notices:* For the purpose of Section 10(a) of this Agreement

Address for notices or communications to Party A:

Address: 127 Public Square, OH-01-27-0405, Cleveland, Ohio 44114-1306
Attention: Interest Rate Risk Management
Facsimile No.: 216-689-4737
Telephone No.: 216-689-4071

Address for notices or communications to Party B:

c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: Chief Financial Officer
Facsimile No.: 410-402-2348
Telephone No.: 410-402-2350

- (b) **Calculation Agent.** The Calculation Agent is Party A. However, if at the time a calculation is to be made an Event of Default with respect to Party A has occurred and is then continuing, the parties shall select a mutually agreeable dealer in the relevant market to act as the Calculation Agent.
- (c) **Credit Support Document.** In relation to Party A, means not applicable. In relation to Party B, means any guarantee, security agreement, or other document in effect from time to time that, by its terms, guarantees, secures or otherwise supports the performance of Party B's obligations under this Agreement including, without limitation, (i) the Construction Loan Agreement, dated as of April 16, 2008, made by and between Party B and Party A (as may be amended, restated, renewed, or refinanced from time to time, the "Loan Agreement"), (ii) Guaranty Agreement, dated as of April 16, 2008, made by Erickson Retirement Communities, LLC, in favor of, and for the benefit of, Party A, as amended, modified or supplemented from time to time, (iii) the Open-End Mortgage Assignment of Rents and Leases, Security Agreement and Fixture Filing, dated as of April 16, 2008, made by Party B in favor of Party A, as amended, modified or supplemented from time to time, and (iv) each of the other Loan Documents (as defined in the Loan Agreement).
- (d) **Credit Support Provider.** In relation to Party A, means not applicable. In relation to Party B, means each party to any Credit Support Document of Party B including, without limitation, the Guarantor (as defined in the Loan Agreement), other than (i) Party A or Party B, (ii) any Affiliate of Party A, or (iii) any other secured party under such Credit Support Document.
- (e) **Governing Law.** THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO CHOICE OF LAW DOCTRINE.
- (f) **Definitions.** Section 12 is modified as follows:
- (i) "Affiliate" means, in relation to any person, any entity controlled, directly or indirectly, by the person, or any entity that controls, directly or indirectly, the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.
- (ii) "Default Rate" means Prime +2%.

(g) Payments.

Party A will make payments to Party B by transfer to the account of Party B at KeyBank National Association (Account Number: _____).

Party B will make payments to Party A by transfer from the account of Party B at KeyBank National Association (Account Number: _____), and Party A is irrevocably authorized to debit such account for each such payment (it being understood that Party B will at all times maintain sufficient balances in such account for such purposes).

Part 4. Other Provisions.

(a) Additional Representations. Section 3 of this Agreement is hereby amended by adding at the end thereof the following subsections (e) and (f):

(e) Eligible Swap Participant. Party B represents to Party A (which representation will be deemed to be repeated by Party B on each date on which a Transaction is entered into) that it, or any Credit Support Provider, has: (A) if a corporation, partnership, proprietorship, limited liability company or trust, (1) total assets exceeding \$10,000,000 or (2) a net worth exceeding \$1,000,000 and is entering into the Transaction in connection with the conduct of its business or to manage the risk associated with an asset or liability owned or incurred in the conduct of its business, or (B) if an individual, total assets exceeding (1) \$10,000,000 or (2) \$5,000,000 and who is entering into the Transaction to manage the risk associated with an asset owned or liability incurred, or reasonably likely to be owned or incurred, by the individual, and as such, it is an "eligible contract participant" as such term is defined in Section 1a(12) of the Commodity Exchange Act (2000);

(f) Equal Terms. Party B represents to Party A that each of Party B's other interest rate swap agreements, or other derivative transactions, if any ("Other Existing Agreements") contain substantially identical Material Terms (as defined herein). Party B agrees that until Party A and Party B have agreed in writing to terminate this Agreement, it shall not amend, modify or supplement the Material Terms of any Other Existing Agreement or enter into any other interest rate swap agreement or other derivative transaction with Material Terms that are not substantially identical to those herein and which contain Material Terms that are more onerous to Party A or more beneficial to any creditor or counterparty to the Other Existing Agreement than those contained in this Agreement without, in either instance, Party A's prior written consent or amending, modifying or supplementing this Agreement so that Party B shall comply with the foregoing sentence. For purposes of this paragraph, "Material Terms" shall mean the terms and provisions set forth in Part 1(i)(ii) of this Agreement."

(b) Notice of Events of Default. Party B agrees to notify Party A of the occurrence of any Event of Default or Potential Event of Default, including without limitation, any default, event of default or other similar condition or event which has been declared as such by any holder of Specified Indebtedness, with respect to it or any of its Affiliates immediately upon learning of the occurrence thereof.

(c) **Disclaimer.** In entering into this Agreement, Party B acknowledges and agrees that:

1. Party B understands that there is no assurance as to the direction in which interest rates in financial markets may move in the future and that Party A makes no covenant, representation, or warranty in this regard or in regard to the suitability of the terms of the Agreement or any Transaction to the particular needs and financial situation of Party B.
 2. Party B has made its own independent, informed decision to enter into this Agreement and any Transaction.
 3. Party B represents, which representation shall be deemed repeated with respect to and at the time of each Agreement and Transaction, that (A) it has had the opportunity, independently of Party A and Party A's affiliates, officers, employees, and agents, to consult its own financial advisors and has determined that it is in Party B's interest to enter into the Agreement and any Transaction, (B) it is capable of assuming and assumes the risks of any Transaction and (C) it is capable of assuming and assumes all risks (financial and otherwise) associated with any Transaction, including but not limited to, Market Risk (defined as the risk that the Transaction may increase or decrease in value with a change in, among other things, interest rates or the yield curve), and Liquidity Risk (defined as the risk that the Transaction cannot be closed out of or disposed of quickly at or near its value).
 4. Party A is not acting as a fiduciary for or advisor to Party B in respect of any Transaction.
 5. Party B is not relying on any communications (written or oral) of Party A as investment advice or as a recommendation to enter into this Transaction, it being understood that information and explanations related to the terms and conditions of this Agreement and any Transaction shall not be considered investment advice or a recommendation to enter into this Transaction.
 6. ~~Party B is capable of assessing the terms, conditions and risks (on its own behalf or through independent professional advice) of this Agreement and any Transaction and understands and accepts such terms, conditions and risks.~~
- (d) **Waiver of Jury Trial.** Each party hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all rights it may have to trial by jury in respect of any proceedings arising out of or relating to this Agreement or any Transaction and acknowledges that it and the other party have been induced to enter into this Agreement by, among other things, these mutual waivers.
- (e) **Set-off.** The right to exercise a Set-off against any amount otherwise payable in respect of an Early Termination Date pursuant to Section 6(e) may be applied solely at the election of the Non-Defaulting Party in the case of an Event of Default, and by the party other than the Affected Party in the case of a Termination Event or Additional Termination Event, whether or not such party is the payer or payee of an amount determined pursuant to Section 6. If an obligation is unascertained, such party may in good faith estimate that obligation and exercise a Set-off in respect of the estimate, subject to the relevant party accounting to the other party when the obligation becomes ascertained.

- (f) **Small Business Administration Loans.** If this Agreement relates to an interest rate swap on a loan guaranteed by the Small Business Administration, then Party B acknowledges that the Small Business Administration is not a party to this Agreement and does not guaranty it. In the event that the Small Business Administration is called upon to honor its guaranty to Party A, Party B's debt will be determined by the terms of the loan, including the variable interest rate provision.
- (g) **USA PATRIOT Act Notice.** Party A hereby notifies Party B that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies Party B, which information includes the name and address of Party B, the Tax-Identification Number, and other information that will allow Party A to identify Party B in accordance with the Act.¹
- (h) **Termination.** Party B acknowledges and agrees that upon an early termination of any or all Transactions or Specified Transactions under this Agreement, monies may be due and payable by Party B to Party A, or by Party A to Party B.
- (i) **Definitions.** Unless otherwise specified in a Confirmation, each Transaction between the parties shall be subject to the 2000 ISDA Definitions (the "Definitions") as published by the International Swaps and Derivatives Association, Inc., as such Definitions hereinafter are amended and as such Definitions may be amended, supplemented, replaced, or modified, are incorporated by reference into this Agreement and each Confirmation as if fully set forth herein or in such Confirmation. For these purposes, all references in the Definitions to a "Swap Transaction" shall be deemed to apply to each Transaction under this Agreement. Unless expressly provided otherwise, in the event of any inconsistency between any of the documents identified in this Part 4(i), the document listed first will prevail: (i) the Confirmation; (ii) the Schedule; (iii) the printed form of ISDA Master Agreement; and (iv) the Definitions.
- (j) **Liquidity Covenant.** Party B will cause the Guarantor to, maintain at all times combined, ~~unrestricted Liquid Assets equal in value to at least Twenty-Four Million Dollars (\$24,000,000), or~~ such greater amount as the Guarantor is obligated by other senior project lenders to maintain under any agreements with such other lenders (excluding the liquidity covenant established in connection with Ziegler Securities). In addition, (a) if any of the Ziegler Securities, the Mezzanine Financing or the Corporate Revolver is no longer in full force and effect, Party B shall notify Party A, and the Guarantor shall be required to demonstrate to Party A additional liquidity commensurate with that required by whichever one or more of the Ziegler Securities, the Mezzanine Financing or the Corporate Revolver is no longer in full force and effect within thirty (30) days following the date on which the same is no longer in full force and effect, and (b) if the Guarantor is involved in any continuing care retirement community or similar project (an "Other Project") which is being financed in whole or in part by bank construction financing or its equivalent (excluding financing by a project tenant which is or has applied for status as a non-profit entity, and which financing is structured in a manner similar to the financing structure in place with respect to either (i) the New Jersey Economic Development Authority Retirement Community Refunding Revenue Bonds (Seabrook Village, Inc. Facility), Series 2006, or (ii) the Montgomery County, Maryland Variable Rate Demand Bonds (Riderwood Village Project), Series 2004) (whether taxable or tax exempt), the Borrower will cause the Guarantor to, maintain Liquid Assets equal in value to at least Seven

¹ This provision is included as a means of compliance with the notice requirements contained in the regulations under the USA PATRIOT ACT.

Million Five Hundred Thousand Dollars (\$7,500,000) for each Other Project in excess of the first four (4) such Other Projects (which are covered by the \$24,000,000 requirement above), provided, that sites that are acquired after the date hereof and are not under construction by the Guarantor shall not be deemed to be Other Projects until the earlier of (A) the closing of the construction financing with respect to such site, or (B) the commencement of construction of any residential building or community building in connection with such site. The liquidity covenant subsequent to the closing of the Loan is expected to be Fifty-Four Million Dollars (\$54,000,000), based on the following projects: Fox Run, Eagle's Trace, Highland Springs, Maris Grove, Windcrest, Tallgrass Creek, Ashby Ponds and Hickory Chase. An additional \$7,500,000 shall be added to the liquidity covenant for each new project, upon the earlier of (i) the closing of the construction financing with respect to each project, or (ii) the commencement of construction of any residential building or community building in connection with such project.

For purposes of this Part 4(j) only, (i) all capitalized terms used in this section without definition shall have the meanings ascribed to such terms in the Loan Agreement, and (ii) Loan Agreement shall mean the Construction Loan Agreement, dated as of April 16, 2008, made by and between Party B and Party A, as the same exists on the date of execution of this Agreement and without regard to (i) any termination or cancellation thereof, whether by reason of payment of all indebtedness incurred thereunder or otherwise, or (ii) unless consented to in writing by Party A, any amendment, modification, addition, waiver or consent thereto or thereof.

IN WITNESS WHEREOF, the parties have executed this Schedule by their duly authorized officers as of the date hereof.

KeyBank National Association

By: Mary Beth Simon
Name: Mary Beth Simon
Title: Vice President
Date: 10.14.08

Columbus Campus, LLC,
a Maryland limited liability company

By: Erickson Retirement Communities, LLC,
Sole Member

By: Gerald F. Roherty
Name: Gerald F. Roherty
Title: Executive Vice President, General
Date: Counsel and Secretary

KEYBANK NATIONAL ASSOCIATION

CONFIRMATION

To: COLUMBUS CAMPUS, LLC
701 MAIDEN CHOICE LANE
BALTIMORE, MD 21228

Attn: TOM BROD
Fax: tom.brod@erickson.com

Duplicate
Confirm to: Susan.Spence@erickson.com, Scott.Erickson@erickson.com
Client ID: 1000365404

From: KEYBANK NATIONAL ASSOCIATION
Date: 15-Oct-08
Our Ref: 221968/221968

The purpose of this letter agreement is to set forth the terms and conditions of the Swap Transaction entered into between KEYBANK NATIONAL ASSOCIATION and COLUMBUS CAMPUS, LLC on the Trade Date specified below (the "Swap Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the Swap Agreement specified below.

1. The definitions and provisions contained in the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (the "Definitions") and amended from time to time, are incorporated into this Confirmation.

If you and we are parties to an ISDA Master Agreement as published by the International Swap Dealers Association, Inc. and the Schedule to such agreement that sets forth the general terms and conditions applicable to Swap Transactions between us (a "Swap Agreement"), this Confirmation supplements, forms a part of, and is subject to, such Swap Agreement. If you and we are not yet parties to a Swap Agreement, this Confirmation will be a complete valid legal binding agreement between us as supplemented by the general terms and conditions set forth in the standard form ISDA Master Agreement copyright 1992 by the International Swap Dealers Association, Inc. ("standard ISDA form"). All provisions contained or incorporated by reference in such Swap Agreement shall govern this Confirmation except as expressly modified below. In the event of any inconsistency between this Confirmation and the Definitions or the Swap Agreement or the standard ISDA form if a Swap Agreement has not been entered into between us, this Confirmation will govern.

This Confirmation will be governed by and construed in accordance with the laws of the State of New York, without reference to choice of law doctrine, provided that this provision will be superseded by any choice of law provision in the Swap Agreement.

2. This Confirmation constitutes a Rate Swap Transaction under the Swap Agreement and the terms of the Rate Swap Transaction to which this Confirmation relates are as follows:

COLUMBUS CAMPUS, LLC
Our Ref: 221968/221968

Notional Amount:	\$30,000,000.00 USD
Trade Date:	15-Oct-08
Effective Date:	20-Oct-08
Termination Date:	01-Mar-11
Fixed Amounts:	
Fixed Rate Payer:	COLUMBUS CAMPUS, LLC
Fixed Rate Payer Payment Dates:	Commencing 01-Nov-08 and monthly thereafter on the 1st calendar day of the month up to and including the Termination Date, subject to adjustment in accordance with Following Business Day Convention.
Period End Dates: Adjustment.	Monthly on the 1st commencing 01-Nov-08 subject to No
Fixed Rate:	5.73000 %
Fixed Rate Day Count Fraction:	Act/360
Floating Amounts:	
Floating Rate Payer:	KEYBANK NATIONAL ASSOCIATION
Floating Rate Payer Payment Dates:	Commencing 01-Nov-08 and monthly thereafter on the 1st calendar day of the month up to and including the Termination Date, subject to adjustment in accordance with Following Business Day Convention.
Period End Dates: Adjustment.	Monthly on the 1st commencing 01-Nov-08 subject to No
Floating Rate for Initial Calculation Period including spread:	To Be Determined
Floating Rate Option:	USD-PRIME-H.15 Weighted Average
Spread:	None
Floating Rate Day Count Fraction:	Act/360
Reset Dates:	Daily

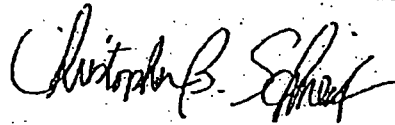
COLUMBUS CAMPUS, LLC
Our Ref: 221968/221968

Calculation Agent: KEYBANK NATIONAL ASSOCIATION
Business days: New York
Other Terms and Conditions: None
Payment Method: Please Provide

Please confirm the foregoing correctly sets forth the terms of our Agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us.

Regards,

KEYBANK NATIONAL ASSOCIATION



Name: Christopher Schneider
Title:

Accepted and Confirmed as
of the Trade Date

COLUMBUS CAMPUS, LLC

By: Erickson Retirement Communities, LLC,
Sole Member

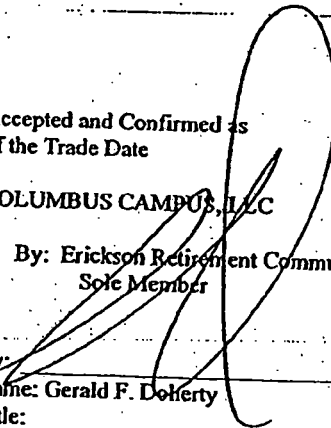
By: 
Name: Gerald F. Doherty
Title:

EXHIBIT 4



200804220061335
Pg: 35 \$292.00 T20080027449
04/22/2008 1:58PM EXCHICAGO TIT
Robert S. Montgomery
Franklin County Recorder

OPEN-END MORTGAGE, ASSIGNMENT OF RENTS AND LEASES,
SECURITY AGREEMENT AND FIXTURE FILING
(MAXIMUM PRINCIPAL INDEBTEDNESS NOT TO EXCEED \$90,000,000)

COLUMBUS CAMPUS, LLC,
a Maryland limited liability company
(Mortgagor)

to

KEYBANK NATIONAL ASSOCIATION,
a national banking association
in its capacity as Lead Arranger and Administrative Agent
(Mortgagee)

April 16, 2008

Mortgagor's Organizational Identification No.: _____

THIS MORTGAGE IS ALSO TO BE INDEXED IN THE INDEX OF FINANCING STATEMENTS AS A FIXTURE FILING IN ACCORDANCE WITH THE OHIO UNIFORM COMMERCIAL CODE.

THE NAMES OF THE DEBTOR AND THE SECURED PARTY, THE MAILING ADDRESS OF THE SECURED PARTY FROM WHICH INFORMATION CONCERNING THE SECURITY INTEREST MAY BE OBTAINED, THE MAILING ADDRESS OF THE DEBTOR AND A STATEMENT INDICATING THE TYPES, OR DESCRIBING THE ITEMS, OF COLLATERAL, ARE AS DESCRIBED IN PARAGRAPH 10.020.6 HEREOF.

**OPEN-END MORTGAGE, ASSIGNMENT OF RENTS AND LEASES,
SECURITY AGREEMENT AND FIXTURE FILING
(MAXIMUM PRINCIPAL INDEBTEDNESS NOT TO EXCEED \$90,000,000)**

THIS OPEN-END MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (this "Mortgage") is made as of the 16th day of April, 2008, by COLUMBUS CAMPUS, LLC, a Maryland limited liability company (the "Mortgagor"), to KEYBANK NATIONAL ASSOCIATION, a national banking association with an office at 127 Public Square, Cleveland, Ohio 44114, as Noteholder (the "Administrative Agent" and sometimes herein referred to as the "Mortgagee") in its capacity as Lead Arranger and Administrative Agent for the lenders (collectively, the "Lenders") who are party from time to time to the Loan Agreement (as hereinafter defined).

SECTION 1. RECITALS

1.1 The Credit Facility. The Mortgagor is indebted to the Lenders for a revolving loan and letter of credit facility in the aggregate principal amount at any one time outstanding not to exceed Ninety Million and 00/100 Dollars (\$90,000,000.00) (the "Loan") to be advanced pursuant to a Construction Loan Agreement among the Mortgagor, the Lenders and the Administrative Agent of even date herewith (together with all amendments thereto, the "Loan Agreement"), as evidenced by Revolving Loan Notes from the Mortgagor to each of the Lenders of even date herewith or executed after the date hereof for portions of the Loan syndicated hereafter, each bearing interest at the variable rate described therein (together with all amendments, substitutions or replacements thereto, the "Notes"). The Mortgagor intends to use the proceeds of the Loan to finance the construction of a retirement community (the "Retirement Community") on the Land (hereinafter defined). The Retirement Community has been leased to and will be operated by Hickory Chase, Inc., a Maryland nonstock corporation ("HC").

1.2 Obligations Secured. This Mortgage secures (a) the payment of all sums due to the Lenders and the Administrative Agent by the Mortgagor according to the terms of any of the Loan Documents (hereinafter defined), including without limitation the "Obligations" (as defined in the Loan Agreement), (b) the Mortgagor's obligations with respect to future advances, which may be made by the Administrative Agent on behalf of the Lenders for any reason and (c) the performance of, and compliance with, all of the obligations of the Mortgagor (express or implied) contained in the Loan Documents.

SECTION 2. DEFINITIONS

Whenever capitalized in this Mortgage, the following terms shall have the meaning given in this Section 2, unless the context clearly indicates a contrary intent. All capitalized terms used in this Mortgage without definition shall have the meanings ascribed to such terms in the Loan Agreement.

2.1 Encumbrances: All liens, mortgages, rights, leases, restrictions, easements, deeds of trust, covenants, agreements, rights of way, rights of redemption, security interests, conditional sales agreements, land installment contracts, options, and all other burdens or charges.

2.2 Environmental Requirements: Any federal, state, regional, county or local law, statute, ordinance, rule or regulation; or court administrative order or decree; or private agreement, which requires special handling, collection, storage, treatment, disposal or removal of any materials located in or on or about the Property, or which concerns public health, safety, or the environment, including, without limitation, relating to (i) releases, discharges, emissions, or disposals to air, water, land or ground water, (ii) the withdrawal or use of ground water and (iii) the exposure of persons to toxic, hazardous or other controlled, prohibited, or regulated substances.

2.3 Event of Default: Any one or more of the events described in Section 9.1 hereof.

2.4 Insurance and Condemnation Proceeds: All of the items described in Section 3.04.

2.5 Land: The land consisting of approximately 83 acres located at 4383 Davidson Road, Hilliard, Franklin County, Ohio 43026, which is more particularly described in Exhibit A attached to this Mortgage and incorporated by reference herein.

2.6 Mortgage: This instrument, including all current and future supplements, amendments and attachments thereto.

2.7 Mortgagee: KeyBank National Association, its successors and assigns, as Administrative Agent for the Lenders, and any subsequent holder of any Notes evidencing all or any part of the Loan.

2.8 Mortgagor: Columbus Campus, LLC, its successors and assigns.

2.9 Notes: Collectively, the Revolving Loan Notes of even date herewith or executed after the date hereof for portions of the Loan syndicated hereafter, payable to the Lenders by the Mortgagor evidencing the Loan in the face amount of Ninety Million and 00/100 Dollars (\$90,000,000.00), including all current and future replacements, supplements, amendments and attachments thereto.

2.10 Permitted Encumbrances: Liens and security interests securing the Mezzanine Financing (subordinate to all liens in favor of the Administrative Agent), and those exceptions, if any, which appear in the title policy insuring the interest of the Administrative Agent hereunder, including a subordinate mortgage for the benefit of HC, as accepted and approved by the Administrative Agent, or any encumbrance hereinafter approved in writing by the Administrative Agent.

2.11 Property: All of the property described in Sections 3.1, 3.2, 3.3 and 3.4.

2.12 Personal Property: All of the personal property and fixtures described in Section 3.2.

2.13 Real Property: All of the real property described in Section 3.1.

2.14 Rents: All of the rents, earnings, proceeds, accounts, general intangibles and other rights described in Section 3.3.

SECTION 3. GRANT

3.1 Real Property. The Mortgagor, in consideration of the Lenders making the Loan to the Mortgagor and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, hereby grants, bargains, sells, conveys, mortgages, warrants and assigns to the Mortgagee for the benefit of the Lenders all of its right, title and interest in and to the Land described more particularly in Exhibit A attached hereto as a part hereof, together with (a) all buildings and improvements now or hereafter located on the Land, (b) all rights, rights of way, air rights, riparian rights, franchises, licenses, easements, tenements, hereditaments, appurtenances, accessions and other rights and privileges now or hereafter belonging to the Land or the buildings and improvements thereupon, now owned or hereafter acquired by the Mortgagor (hereinafter collectively referred to as the "Real Property"), subject to the Permitted Encumbrances.

3.2 Personal Property and Fixtures. The Mortgagor further grants and assigns to the Administrative Agent for the benefit of the Lenders a security interest in, all of the Mortgagor's interest in all of the machines, apparatus, equipment (including, without limitation, embedded software), fixtures and articles of personal property now or hereafter located on the Land or in any improvements thereon, including without limitation all furniture, fixtures, equipment and building materials acquired with the proceeds of the Loan, and all the right, title and interest of the Mortgagor in and to any of such property which may be subject to any title retention or security agreement or instrument having priority over this Mortgage (hereinafter collectively referred to as the "Personal Property").

3.3 Rents and Other Rights. The Mortgagor further grants and assigns to the Administrative Agent for the benefit of the Lenders all of the Mortgagor's interest in (a) all rents, profits, royalties, issues, revenues, income, proceeds, earnings and products generated by or arising out of the Property and all accounts receivable arising in connection with the Property and all contracts for the use and occupancy of all or any portion of the Property (including but not limited to agreements with the residents of the Retirement Community), all contracts of sale for all or any portion of the Property, and all deposits to secure performance by contract purchasers for all or any portion of the Property, (b) all of the general intangibles, actions, rights in action, estate, right, title, use, claim and demand of every nature whatsoever, at law or in equity, which the Mortgagor may now have or may hereafter acquire in and to the Property, and (c) all right, title and interest of the Mortgagor in and to all extensions, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Property, hereafter acquired by or released to the Mortgagor, or constructed, assembled or placed by or for the Mortgagor on the Property, and all conversions of the security constituted thereby (hereinafter collectively referred to as the "Rents").

3.4 Insurance Policies and Condemnation Awards. The Mortgagor further grants and assigns to the Administrative Agent for the benefit of the Lenders all insurance policies and insurance proceeds pertaining to the Property and all awards or payments, including interest thereon and the right to receive the same, which may be made with respect to any of the Property as a result of any taking or any injury to or decrease in the value of the Property (hereinafter collectively referred to as the "Insurance and Condemnation Proceeds").

3.5 Security Interest Under the Uniform Commercial Code. Any portion of the Property which by law is or may be real property shall be deemed to be a part of the Real Property for the purposes of this Mortgage. The remainder of the Property shall be subject to the Ohio Uniform Commercial Code as now or hereafter in effect (hereinafter referred to as the "Uniform Commercial Code") and this Mortgage shall constitute a Security Agreement with respect thereto. The Mortgagor hereby grants to the Administrative Agent for the benefit of the Lenders a security interest in that portion of the Property not deemed a part of the Real Property for the purpose of securing performance of all of the Mortgagor's obligations under the Loan Documents. With respect to such security interest (a) the Administrative Agent may exercise all rights granted or to be granted a secured party under the Uniform Commercial Code and (b) upon the occurrence of an Event of Default the Administrative Agent shall have a right of possession superior to any right of possession of the Mortgagor or any person claiming through or on behalf of the Mortgagor. The Mortgagor shall execute and file such financing statements and other security agreements as the Administrative Agent shall require from time to time with respect to personal property and fixtures included in the Property. Upon any failure by the Mortgagor to do so, the Administrative Agent may execute, record and file all such financing statements and other security agreements for and in the name of the Mortgagor and the Mortgagor hereby irrevocably appoints the Administrative Agent the agent and attorney-in-fact of the Mortgagor to do so. The Mortgagor agrees to pay any and all filing and recording fees or other charges with respect to such documents. Further, to the extent permitted by applicable laws, the Administrative Agent may file, without any Mortgagor's signature, one or more financing statements or other notices disclosing the Administrative Agent's liens and other security interests. All financing statements and notices may describe the Administrative Agent's collateral as all assets or all personal property of Mortgagor. Notwithstanding the filing of such "all assets" financing statements, the scope of the Administrative Agent's liens and security interests with respect to the collateral shall be governed by the granting language of the Loan Documents.

SECTION 4. HABENDUM CLAUSE AND DEFEASANCES

To HAVE AND TO HOLD the Property unto the Mortgagee, and its successors and assigns forever, and Mortgagor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND the title to the Property unto the Mortgagee and its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof. All right, title and interest of the Mortgagor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to the Property hereafter acquired by, or released to, the Mortgagor or constructed, assembled or placed by the Mortgagor on the Real Property, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, pledge, conveyance, assignment or other act by the Mortgagor, shall become subject

to the lien of this Mortgage as fully and completely, and with the same effect, as though now owned by the Mortgagor and specifically described herein. Notwithstanding the foregoing, the Mortgagor shall, at its own cost, make, execute, acknowledge, deliver and record any and all such further acts, deeds, conveyances, mortgages, notices of assignment, transfers, assurances and other documents as the Administrative Agent shall from time to time require for better assuring, conveying, assigning, transferring and confirming unto the Administrative Agent of the Property and the other rights hereby conveyed or assigned or intended now or hereafter so to be, or which the Mortgagor may be or may hereafter become bound to convey or assign for carrying out the intention of facilitating the performance of the terms of this Mortgage. In addition, the Mortgagor hereby agrees that this Mortgage is a security agreement under the Uniform Commercial Code and creates in the Administrative Agent a security interest thereunder in, among other things, all Personal Property, Insurance and Condemnation Proceeds and Rents. This Mortgage shall be effective as a financing statement pursuant to the Uniform Commercial Code. The Mortgagor shall, at its own cost and expense, execute, deliver and file any financing statements, continuation certificates and other documents the Administrative Agent may require from time to time to perfect and maintain in favor of the Administrative Agent a security interest under the Uniform Commercial Code in such Personal Property, Insurance and Condemnation Proceeds and Rents. Without limiting the generality of any of the foregoing, the Mortgagor hereby irrevocably appoints the Administrative Agent attorney-in-fact, coupled with an interest, for the Mortgagor to execute, deliver and file any of the documents referred to hereinabove for and on behalf of the Mortgagor.

Provided always, and these presents are upon this express condition, that if the Mortgagor or its successors or assigns shall well and truly pay or cause to be paid, in full, unto the Administrative Agent and the Lenders, their successors or assigns, the obligations secured by this Mortgage, and otherwise perform the Mortgagor's respective obligations under the Loan Documents to which the Mortgagor is a party, then this Mortgage, and the estate hereby granted, shall cease, determine and be void, and the Property shall be released to the Mortgagor, at the cost of Mortgagor.

This Mortgage secures, inter alia, present and future advances made by the Administrative Agent on behalf of the Lenders pursuant to the Loan Documents, including, without limitation, advances made to enable completion of the Project Improvements, plus accrued and unpaid interest. The priority of such future advances shall relate back to the date of this Mortgage, or to such later date as required by applicable law. This Mortgage also secures advances made by the Administrative Agent on behalf of the Lenders with respect to the Property for the payment of taxes, assessments, maintenance charges, and insurance premiums, costs incurred by the Administrative Agent and the Lenders for the protection of the Property or the lien of this Mortgage, including attorneys' fees, and expenses incurred by the Administrative Agent and the Lenders by reason of the occurrence of an Event of Default hereunder, including attorneys' fees, and the priority of such advances, costs and expenses shall also relate back to the date of this Mortgage, or to such later date as required by applicable law. The maximum principal amount that may be secured by this Mortgage is \$90,000,000.00; provided that in no event shall Administrative Agent or the Lenders be obligated to advance to or for the benefit of Mortgagor in excess of the stated principal amount of the Notes.

The Loan Agreement is hereby incorporated herein by this reference as fully and with the same effect as if set forth herein at length. This Mortgage secures all funds advanced pursuant to the Loan Agreement (which advances shall constitute part of the indebtedness evidenced by the Notes, whether more or less than the principal amount stated in the Notes) and the punctual performance, observance and payment by the Mortgagor of all of the requirements of the Loan Agreement and the Notes to be performed, observed or paid by the Mortgagor. In the event of express and direct contradiction between any of the provisions of the Loan Agreement and any of the provisions contained herein, then the provisions contained in the Loan Agreement shall control. Any warranties, representations and agreements made in the Loan Agreement by the Mortgagor shall survive the execution and recording of this Mortgage and shall not merge herein.

SECTION 5. REPRESENTATIONS AND WARRANTIES

5.1 Warranty of Title and Further Assurances. The Mortgagor warrants that the Mortgagor is lawfully seized of an indefeasible fee simple estate in the Property free and clear of all encumbrances (except for Permitted Encumbrances), and that it has the right and authority to convey the Property and warrants specially title to the Property and that it will execute such further assurances as may be requested. The Mortgagor further covenants that the lien created hereby is and will be maintained as a first lien upon the Property.

SECTION 6. COVENANTS, RIGHTS, AND DUTIES OF MORTGAGOR GENERALLY

6.1 Covenant to Pay Obligations and to Perform Obligations Under the Terms of the Loan Documents. The Mortgagor covenants that it will punctually (a) pay or cause to be paid to the Administrative Agent all amounts due under the Loan Documents executed by the Mortgagor, which includes the principal and interest of the Loan and all other costs and indebtedness secured hereby, according to the terms of the Loan Documents executed by the Mortgagor; (b) perform and satisfy all other obligations of the Mortgagor under the Loan Documents; (c) use all commercially reasonable efforts in satisfying the conditions to advances of the Loan which conditions are specified in Article III, Article IV and Article V of the Loan Agreement; and (d) construct the Project Improvements (as defined in the Loan Agreement) in accordance with the terms of the Loan Documents.

6.2 Escrow Account. The Mortgagor agrees that:

6.02.1 Upon the occurrence of an Event of Default, unless deposited with another financial institution pursuant to the Infrastructure Improvement Bond Documents, the Mortgagor will pay to the Administrative Agent monthly installments, each of which shall be equal to one-twelfth (1/12th) of the sum of (a) the estimated annual premiums for all insurance policies required by Sections 8.1 and 8.2, and (b) the estimated annual taxes, assessments and governmental charges pertaining to the Property, to be held by the Administrative Agent in an escrow account established with the Administrative Agent (the "Escrow Account") and disbursed by the Administrative Agent to pay insurance premiums as they become due and taxes, assessments and governmental charges (including, without limitation, any service payments and/or community development charges to be paid in connection with the Infrastructure

Improvement Financing) before any penalty or interest shall accrue thereon. Estimates are to be made solely by the Administrative Agent in its reasonable determination and payments shall be made on the day of the month designated by the Administrative Agent. No interest shall be payable by the Administrative Agent or the Lenders on the Escrow Account unless, and then only to the extent that, applicable law shall otherwise require. All overpayments to the Escrow Account shall be applied to reduce future payments to the Escrow Account, if any, or shall be returned to the Mortgagor, at the sole discretion of the Administrative Agent.

6.02.2 Upon the request of the Administrative Agent, the Mortgagor shall pay such additional sums into the Escrow Account as the Administrative Agent determines are necessary, so that one month prior to the date the Administrative Agent is required to make payments of insurance premiums, or taxes, assessments or governmental charges, as the case may be, payments can be made therefor out of the Escrow Account.

6.02.3 The Mortgagor hereby grants the Administrative Agent for the benefit of the Lenders a security interest in the sums on deposit in the Escrow Account to secure the obligations secured hereby, and upon the occurrence of an Event of Default, the Administrative Agent and the Lenders may, unless prohibited by applicable law, apply the balance of the Escrow Account to operate the Property or to satisfy the Mortgagor's obligations under the Loan Documents, as the Administrative Agent may elect.

6.3 Compliance With Laws. The Mortgagor shall comply with all laws a breach of which would adversely affect (a) the financial condition of the Mortgagor, (b) the ability to use buildings and other improvements on the Land for the purposes for which they were designed or intended, (c) the value or status of the Property, or (d) the value or status of the Administrative Agent's interest in the Property.

6.4 Changes in Applicable Tax Laws. In the event (a) any law is hereafter enacted which imposes a tax upon the Loan, any of the Loan Documents, or the transactions evidenced or contemplated by any of the Loan Documents, or (b) any law now in force governing the taxation of deeds of trust, debts secured by deeds of trust, or the manner of collecting any such tax, shall be changed or modified, in any manner, so as to impose a tax upon the Loan, any of the Loan Documents, or the transactions evidenced or contemplated by any of the Loan Documents (including, without limitation, a requirement that revenue stamps be affixed to any or all of the Loan Documents), the Mortgagor will promptly pay any such tax. If the Mortgagor fails to make prompt payment, or if any law either prohibits the Mortgagor from making the payment or would penalize the Administrative Agent or the Lenders if the Mortgagor makes the payment, then the failure, prohibition, or penalty, shall entitle the Administrative Agent, in accordance with the terms of the Loan Agreement, to declare the entire unpaid principal balance of the Loan, together with all accrued interest and any other amounts due, immediately due and payable; provided that if no Event of Default has occurred, the Mortgagor shall thereupon have thirty (30) days to pay the entire amount due without penalty. If an Event of Default has occurred and is continuing or if the Mortgagor fails to make payment in full within thirty (30) days, then the Administrative Agent shall be entitled to exercise all rights hereunder as though an Event of Default had occurred.

6.5 Certifications, Licenses, Permits, Etc.: The Mortgagor will obtain or cause to be obtained all certifications, licenses, permits and governmental approvals as may be necessary or required to complete the Project and operate the Retirement Community.

6.6 Sale of Assets, Consolidation, Merger, Etc.: Except as may be otherwise expressly permitted by the Loan Agreement, the Mortgagor shall not (a) sell, lease, transfer or otherwise dispose of its properties and assets with a fair market value in excess of \$50,000 to any person, (b) consolidate with or merge into any other entity, or permit another entity to merge into it, or acquire all or substantially all the properties or assets of any other person or entity, (c) enter into an arrangement, directly or indirectly, with any person whereby it or any of its subsidiaries or affiliates shall sell or transfer any property, real or personal, which is used and useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property for substantially the same purpose or purposes as the property being sold or transferred, or (d) cause or permit any change in its name, ownership of member interests in the Mortgagor, or management or in the manner in which its business is conducted.

6.7 Distributions, Etc.: The Mortgagor will not pay any income, bonuses, profits, salaries or fees to any of its members or make any distribution of cash or property to any of its members or affiliates thereof (including other partnerships or limited liability companies in which any of its members own an interest) except as may be permitted in the Loan Agreement.

6.8 Primary Banking Relationship: The Mortgagor shall maintain its primary banking relationship with KeyBank.

6.9 Further Assurances and Continuation Statements: The Mortgagor from time to time will execute, acknowledge, deliver and record, at the Mortgagor's sole cost and expense, all further instruments, deeds, conveyances, supplemental mortgages, assignments, financing statements, transfers and assurances as in the reasonable opinion of the Administrative Agent's counsel may be necessary (a) to preserve, continue and protect the interest of the Administrative Agent in the Property, or (b) to secure the rights and remedies of the Administrative Agent under this Mortgage and the other Loan Documents. The Mortgagor, at the request of the Administrative Agent, shall promptly execute any continuation statements required by the Uniform Commercial Code to maintain the lien on any portion of the Property subject to the Uniform Commercial Code.

6.10 Expenses. The Mortgagor shall reimburse the Administrative Agent and the Lenders for any sums, including reasonable attorney's fees and expenses, incurred or expended by them (a) in connection with any action or proceeding to sustain the lien, security interest, priority, or validity of any Loan Documents, (b) to protect, enforce, interpret, or construe any of their rights under the Loan Documents, (c) for any title examination or title insurance policy relating to the title to the Property, or (d) for any other purpose contemplated by the Loan Documents. The Mortgagor shall, upon demand, pay all such sums together with interest thereon at the Default Interest Rate defined in the Notes accruing from the time the expense is paid. All such sums so expended by the Administrative Agent and the Lenders shall be secured by this Mortgage. In any action or proceeding to foreclose this Mortgage or to recover or collect the Loan, the provisions of law allowing the recovery of costs, disbursements, and allowances shall be in addition to the rights given by this Section 6.10.

6.11 Environmental Requirements. The Mortgagor represents and warrants to the Administrative Agent and the Lenders that except for the matters disclosed in the Environmental Reports (as defined in the Loan Agreement), copies of which have previously been provided to the Administrative Agent, there are no hazardous substances on the Real Property, that the Mortgagor has not utilized the Real Property, nor any part thereof, to treat, deposit, store, dispose of, or place any hazardous substances, as defined by 42 U.S.C.A. Section 9601(14) ("Hazardous Substances"); nor has the Mortgagor authorized any other person or entity to treat, deposit, store, dispose of, or place any Hazardous Substance on the Real Property, or any part thereof; and to the actual knowledge of the Mortgagor, and except as disclosed in the Environmental Reports, no other person or entity has treated, deposited, stored, disposed of, or placed any Hazardous Substance on the Real Property or any part thereof, except for paint and similar substances normally used in connection with the proper construction of the Project Improvements and/or the maintenance and operation of the existing facilities on the Land, in quantities not exceeding those normally kept on hand at similar facilities, all of which are stored, used and disposed of in compliance with all applicable legal and Environmental Requirements. The Mortgagor further covenants and agrees to give written notice to the Administrative Agent immediately upon acquiring knowledge of the existence of any condition relating to the Property which constitutes a material threat to the health, safety or property of the Mortgagor or others.

The Mortgagor hereby covenants and agrees that, if at any time it is determined that there are Environmental Materials (hereinafter defined) located on the Real Property, the Mortgagor shall promptly take or cause to be taken, at its sole expense, such actions as may be necessary to comply with all Environmental Requirements. The term "Environmental Materials" means any materials which: (i) under any Environmental Requirements require special handling in collection, storage, treatment or disposal, (ii) are defined as hazardous material, hazardous substances or hazardous waste under the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.), the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.) ("CERCLA") or any similar federal law or laws of the state in which the Property is located, or (iii) are oil, petroleum products and their by-products. If the Mortgagor shall fail to take such action, the Administrative Agent and the Lenders may make advances or payments towards performance or satisfaction of the same but shall be under no obligation to do so; and all sums so advanced or paid, including all sums advanced or paid in connection with any judicial or administrative investigation or proceeding relating thereto, including, without limitation, reasonable attorneys' fees, fines, or other penalty payments, shall be at once repayable by the Mortgagor and shall bear interest at the Default Interest Rate defined in the Notes or at the maximum interest rate which the Mortgagor may by law pay, whichever is lower, from the date the same shall become due and payable until the date paid, and all sums so advanced or paid, with interest as aforesaid, shall become a part of the indebtedness secured hereby. The Mortgagor further covenants and agrees that the Mortgagor shall, and shall cause others to, carry on the business and operations on the Real Property so as to comply and remain in compliance with all Environmental Requirements.

The Mortgagor shall defend, indemnify and hold harmless the Administrative Agent and the Lenders against any loss, cost or expense (including, without limitation, cleanup costs, and reasonable attorneys' fees) incurred by the Administrative Agent or the Lenders resulting from the presence on the Property at any time of any Environmental Materials. This indemnity shall

apply notwithstanding any negligent or other contributory conduct by or on the part of any third parties and shall survive: (i) repayment of the Loan and the full release of the lien of this Mortgage; (ii) the extinguishment of the lien by foreclosure, power of sale, or any other action; or (iii) the delivery of a deed in lieu of foreclosure.

SECTION 7. RIGHTS AND DUTIES OF MORTGAGOR WITH RESPECT TO MANAGEMENT AND USE OF THE PROPERTY

7.1 Control by the Mortgagor. Until the happening of an Event of Default, the Mortgagor shall have the right to possess and enjoy the Property and, except as prohibited by the Loan Documents, to receive the Rents.

7.2 Management. At all times the Mortgagor shall provide competent and responsible management to maintain and operate the Property.

7.3 Financial Statements; Books and Records. The Mortgagor shall furnish to each of the Lenders annual financial and operating statements as described herein. Such statements shall show all items of income and expense for the operation of the Property, shall be certified by the Chief Financial Officer of the Mortgagor's member and shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis. All such financial and operating statements shall be supplied in draft form not later than ninety (90) days after the close of Mortgagor's fiscal year prepared by a certified public accountant and in final form not later than one hundred twenty (120) days after the close of the Mortgagor's fiscal year audited by a firm of independent certified public accountants acceptable to the Administrative Agent. The Mortgagor shall also provide each of the Lenders with copies of all federal, state and local tax returns and filings within ten (10) days of the date the same are filed. The Mortgagor shall deliver, and shall cause Tenant to deliver, to each of the Lenders monthly financial statements on a consolidated and consolidating basis within thirty (30) days after each calendar month, certified by the Chief Financial Officer of the Mortgagor's member as to the accuracy thereof. The Mortgagor agrees to make its books and records relating to the operation of the Property available for inspection by each of the Lenders, upon request at any reasonable time, at the Mortgagor's principal place of business or at such other location in the State of Ohio as the Administrative Agent may reasonably request. This paragraph shall be in addition to any other financial reporting provisions set forth in the Loan Documents.

7.4 Restriction of Assignment of Rents. The Mortgagor shall not assign the Rents arising from the Property or any part thereof or any interest therein without the prior written consent of the Administrative Agent, except as permitted by the Loan Agreement. Any attempted assignment, pledge, hypothecation, or grant without such consent shall be null and void.

7.5 Alterations and Improvements. The Mortgagor shall not make any structural alterations or improvements on the Property except in accordance with approved plans and specifications submitted to and approved by the Administrative Agent, as provided in the Loan Agreement. All alterations or improvements shall be erected (a) in a good and workmanlike manner strictly in accordance with all applicable law, (b) entirely on the Land, (c) without encroaching upon any easement, right of way, or land of others, (d) so as not to violate any

applicable use, height, set-back or other applicable restriction; and (e) without permitting any mechanic's lien to attach to the Property which is not being contested as permitted in Section 7.10. All alterations, additions, and improvements to the Property shall automatically be a part of the Property and shall be subject to this Mortgage.

7.6 Restrictions on Sale and Transfer of the Property. The Mortgagor shall not permit the Property, or any part or portion thereof or any interest therein, to be transferred (whether by voluntary or involuntary conveyance, merger, operation of law, or otherwise), other than as may expressly be permitted under the provisions of this Mortgage or the Loan Agreement, without the prior written consent of the Administrative Agent and any consent of the Lenders required under the Loan Agreement (including any Required Consent or Unanimous Consent, as applicable). Any transferee of the Property or any part or portion thereof in fee simple, by virtue of its acceptance of the transfer, shall (without in any way affecting the Mortgagor's liability under the Loan Documents) be conclusively deemed to have agreed to assume primary liability for the performance of the Mortgagor's obligations under the Loan Documents. The sale, assignment, transfer or conveyance of any member interest in the Mortgagor shall be deemed a sale, assignment, transfer and conveyance of the Property in contravention of the provisions of this paragraph, and the sale, assignment, transfer or conveyance of member or other interest of any kind in any of the members of the Mortgagor shall be deemed a sale, assignment, transfer and conveyance of the Property in contravention of the provisions of this paragraph. This section shall not apply to any condemnation, any disposition permitted by Section 7.9 or any disposition by the Administrative Agent by foreclosure hereunder or as otherwise permitted by the Loan Documents.

7.7 Restriction on Encumbrances. The Mortgagor shall not allow any Encumbrances on the Property except the Permitted Encumbrances. The Mortgagor shall give the Administrative Agent prompt notice of any default in or under any Permitted Encumbrances and any notice of foreclosure or threat of foreclosure. The Mortgagor shall comply with its obligations under all Permitted Encumbrances. The Administrative Agent may, at its election, satisfy any Encumbrance (other than a Permitted Encumbrance not then in default), and the Mortgagor shall, on demand, reimburse the Administrative Agent and the Lenders for any sums advanced for such satisfaction together with interest at the Default Interest Rate stated in the Notes accruing from the date of satisfaction, which sums shall be secured hereby.

7.8 Maintenance, Waste, Repair and Inspection. The Mortgagor shall: (a) keep and maintain the Property in good order, condition, and repair and make, in a prompt manner, all equipment replacements and repairs necessary to insure that the security for the Loan is not impaired; (b) not commit or suffer any waste of the Property; (c) promptly protect and conserve any portion of the Property remaining after any damage to, or partial destruction of, the Property; (d) promptly repair, restore, replace or rebuild any portion of the Property which is damaged or destroyed; (e) promptly restore the balance of the Property remaining after any condemnation; (f) permit the Administrative Agent, any Lender or their designees to inspect the Property at all reasonable times; and (g) not make any material change in the grade of the Property or permit any material excavation of or on the Property, except as required for utility easements and in connection with Project Improvements contemplated in the Loan Agreement.

7.9 Removal and Replacement of Equipment and Project Improvements. Except for actions taken in connection with the preparation of the Property for the construction of the Project Improvements, no part of the Property, except supplies consumed or raw materials, work in progress and finished goods sold or transferred in the ordinary course of business operations as they are currently conducted, shall be removed from the Land, demolished, or materially altered without the prior written consent of the Administrative Agent. The Mortgagor may, without consent and free from the lien and security interest of this Mortgage, remove and dispose of any worn out or obsolete fixtures or equipment which are a part of the Property, provided that prior to or simultaneously with their removal, such fixtures and equipment shall be replaced with fixtures or equipment of equal or greater value. The replacement fixtures or equipment shall be free of all Encumbrances, shall automatically be subject to the lien and security interest of this Mortgage, and shall automatically be subject to the granting clauses hereof. Upon the sale of any removed fixtures and equipment which are not replaced, the proceeds shall, at the election of the Administrative Agent, be applied as a prepayment of amounts guaranteed by the Mortgagor under the Loan Documents, whether then due or not. All sales shall be conducted in a commercially reasonable manner.

7.10 Taxes and Permitted Contests. The Mortgagor shall pay: (a) all taxes, assessments and other governmental charges on or before the date any interest or penalty begins to accrue or attach thereto; and (b) all lawful claims which, if unpaid, might become a lien or charge upon the Property; provided, however, that the Mortgagor shall not be required to pay any taxes or claim the amount, validity or payment of which is being contested, in good faith, by appropriate legal proceedings, and so long as, in the sole opinion of the Administrative Agent, no part of the Property is in danger of being sold, forfeited or lost and the contest is not impairing the security for the Loan. Upon payment thereof, the Mortgagor shall promptly supply the Administrative Agent with receipts showing the payment of the taxes or claim.

7.11 Restrictive Covenants, Zoning, etc. No restrictive covenant, zoning change, or other restriction affecting the Property may be entered into, requested by or consented to by the Mortgagor without the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld.

7.12 Preservation of Appurtenances. The Mortgagor will do all things necessary to preserve intact and unimpaired, all easements, appurtenances, and other interests and rights in favor of, or constituting any portion of, the Property.

SECTION 8. INSURANCE AND CONDEMNATION

8.1 Builder's Risk and Casualty Insurance. At all times that any amounts are guaranteed or owing by the Mortgagor under the Loan Documents, the Mortgagor shall keep the Property insured for the benefit of the Mortgagor, the Administrative Agent and the other Lenders against loss or damage by either standard builder's risk insurance or all-risk peril insurance, as the Administrative Agent may require from time to time. Such insurance shall be written in amounts equal to the greater of the total amount due and owing by the Mortgagor to the Lenders under the Loan Documents, one hundred percent (100%) of the replacement value of the Property (excluding land), or such other amount as may be approved by the Administrative Agent. Such insurance shall be written in forms and by companies satisfactory to the

Administrative Agent, and the losses thereunder shall be payable to the Administrative Agent (for the benefit of the Lenders) alone and not to the Mortgagor and the Administrative Agent, jointly. The policy or policies of such insurance shall, if requested by the Administrative Agent, be delivered to and retained by the Administrative Agent, and shall contain a standard New York Mortgagee Clause showing the loss, if any, as payable to the Administrative Agent and shall require the insurer to give the Administrative Agent at least thirty (30) days' prior notice of its cancellation or nonrenewal of the policy or policies. The Mortgagor shall provide the Administrative Agent with receipt evidencing the payment of all premiums due on such policies. The Mortgagor shall give the Administrative Agent prompt notice of any loss covered by such insurance, and the Administrative Agent shall have the right (subject to the approval of the Mortgagor, so long as no Event of Default has occurred) to adjust any loss covered by an insurance policy. Unless otherwise approved in writing in advance by the Administrative Agent, all monies in excess of \$100,000 in the aggregate received as payment for any one or more losses covered by an insurance policy ("Insurance Proceeds") shall be paid over to the Administrative Agent to be applied, at the option of the Administrative Agent, either to the prepayment of the indebtedness secured by the Mortgage or to the payment of other charges or expenses actually incurred by the Mortgagor in the restoration, reconstruction, repair, renovation or replacement of the Property.

8.2 Liability Insurance. The Mortgagor will at all times keep itself insured against liability for damages arising from any accident or casualty in or upon the Property by maintaining comprehensive general public liability insurance, the minimum limits of which shall be One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate, with a minimum Ten Million Dollars (\$10,000,000) in excess liability (umbrella form) coverage per occurrence and in the aggregate.

8.3 Contractors' Insurance. During the construction of the Project Improvements, the Mortgagor will cause all contractors and subcontractors (including the Mortgagor if applicable) to obtain and keep in effect (or secure coverage itself) a contractors' liability insurance policy or policies in builders' all risk form, with loss payable endorsements acceptable to the Administrative Agent, insuring the Project Improvements described in the Loan Agreement and all materials and supplies purchased with advances of the Loan, together with a policy or policies for Workers' Compensation Insurance to the full extent required by the laws of the State of Ohio. Upon request, the Mortgagor shall provide the Administrative Agent with evidence satisfactory to the Administrative Agent that all such insurance is in effect.

8.4 Other Insurance. The Mortgagor may not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under the above paragraph unless the Administrative Agent is included thereon as a named insured with losses payable to the Administrative Agent as above provided. The Mortgagor shall immediately notify the Administrative Agent whenever any such separate insurance is taken out and shall promptly deliver to the Administrative Agent the policy or policies of such insurance.

If any of the Project Improvements on the Property are located in an area which has been identified as a non-minimal flood hazard area, the Mortgagor will keep the Property covered by flood insurance in an amount at least equal to the full amount secured by this Mortgage or the maximum limit of coverage available for the Property.

Unless a written waiver from the Administrative Agent is obtained, the Mortgagor shall (a) keep all of its insurable properties insured against all risks usually insured against by persons operating like properties in the localities where the properties are located; and (b) maintain public liability insurance against claims for personal injury, death or property damage suffered by others upon or in or about any premises occupied by it or occurring as a result of its maintenance or operation of any automobiles, trucks or other vehicles or airplanes or other facilities or as a result of the use of products sold by it or services rendered by it.

8.5 Condemnation and Allocation of Condemnation Awards. The Mortgagor, immediately upon obtaining knowledge of the institution of any proceeding for a condemnation, will notify the Administrative Agent of such proceedings. The Administrative Agent may participate in any such proceedings, and the Mortgagor will, from time to time, deliver to the Administrative Agent all instruments requested by them to permit such participation. Any award or payment made as a result of any taking shall be paid to the Administrative Agent, to be applied (a) if funds sufficient to restore the remainder of the Property are available from such award or payment (together with other funds supplied or caused to be supplied by the Mortgagor) and no Event of Default is then outstanding, to the restoration of the remainder of the Property, or (b) if sufficient funds are not available to restore the remainder of the Property, and neither Mortgagor nor Guarantor has provided sufficient funds within sixty (60) days following such award or payment, or if an Event of Default is then outstanding, to prepayment of amounts guaranteed by the Mortgagor under the Loan Documents, whether then due or not. All moneys not utilized for the repair or restoration of the remainder of the Property shall be applied as a prepayment of amounts owing by the Mortgagor under the Loan Documents, whether then due or not, in inverse order of maturity. The application of any award or payment as a prepayment of amounts due under the Notes shall take effect only on the actual date of the receipt of the payment or award by the Administrative Agent. In the event any payment or award is used to restore the Property, as aforesaid, the Administrative Agent and the Lenders shall not be obligated to see to the proper allocation thereof, nor shall any amount so used be deemed a payment of any indebtedness secured by this Mortgage. Payments or awards to be used for restoration purposes, as aforesaid, shall be held by the Administrative Agent and disbursed under such terms and conditions, to such persons, and at such times, as the Administrative Agent may determine.

SECTION 9. DEFAULT

9.1 Event of Default. The occurrence of any of the following shall constitute an Event of Default:

9.01.1 Event of Default Under Other Loan Documents. An "Event of Default" (if so defined) occurs under a Loan Document other than this Mortgage.

9.01.2 Insurance Provisions. The failure of the Mortgagor to perform its obligations set forth in Section 8 to keep the Property adequately and continually insured.

9.01.3 Receiver, Bankruptcy. If the Mortgagor (a) applies for, or consents in writing to, the appointment of a receiver, trustee, or liquidator for it of the Property, or of all or substantially all of its assets, (b) files a voluntary petition in bankruptcy or admits in writing its

inability to pay its debts as they become due, (c) makes an assignment for benefit of creditors, (d) files a petition or an answer seeking a reorganization, composition, adjustment arrangement with creditors, or takes advantage of any insolvency law, (e) files an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization, composition, adjustment, arrangement, or insolvency proceeding, or (f) is dissolved as a result of an adversary suit or proceeding.

9.01.4 Receiver, Bankruptcy (Involuntary). If (a) any execution or attachment levied against the assets of the Mortgagor is not set aside, discharged, or stayed within forty-five (45) days, (b) an order, judgment, or decree is entered by any court of competent jurisdiction on the application of a creditor, adjudicating the Mortgagor a bankrupt or insolvent, or appointing a receiver, trustee, or liquidator for the Mortgagor of all or substantially all of its assets, or (c) an order of relief is entered against the Mortgagor pursuant to any bankruptcy statute or law and such order, judgment, or decree continues unstayed and in effect for a period of forty-five (45) days.

9.01.5 Assignment of Rents. Any attempted assignment by the Mortgagor of the whole or any part of the Rents in contravention of Section 7.4.

9.01.6 Prohibited Transfer or Encumbrance. Any transfer or event in violation of Sections 7.5, 7.6, 7.7 or 7.9.

9.01.7 Loss of License. The loss of any material license or permit necessary for the improvement, operation, occupancy, or use of the Property (whether such license or permit is issued to the Mortgagor or to another entity responsible for the operation of the Retirement Community).

9.01.8 Defaults under Subordinate Liens. Any default by the Mortgagor under any documents executed in connection with any subordinate liens (including any such liens in favor of the Administrative Agent) against the Property, which default is not cured within any applicable grace or cure period.

9.01.9 Environmental Requirements. Failure of the Mortgagor to comply with all Environmental Requirements which is not cured within thirty (30) days after notice from the Administrative Agent.

9.01.10 Other Defaults. The failure of the Mortgagor to perform or observe any of its obligations or covenants under this Mortgage not previously specifically referred to in this Article 9, which failure continues for a period of thirty (30) days after written notice to the Mortgagor; provided, however, that the Administrative Agent may, in its sole discretion, extend the cure period for any default upon the reasonable request of the Mortgagor in the event that the default cannot be cured within the time set forth in this Mortgage and the Mortgagor is diligently pursuing cure of the default.

9.01.11 Environmental Liens. If the Environmental Protection Agency of the United States ("EPA"), or any other state or federal agency or any other person or entity (a) asserts or creates a lien upon any or all of the Property by reason of the failure of the Mortgagor to comply with all Environmental Requirements, or (b) commences an action or

proceeding based on any claims against the Mortgagor, the Property, the Administrative Agent or any Lender for damages or cleanup costs related to the Mortgagor's failure to comply with all Environmental Requirements, and in the case of such an action or proceeding Mortgagor is unsuccessful in obtaining a dismissal of such action or proceeding within thirty (30) days but in any event prior to the date any lien attaches to the Property.

9.01.12 Future Advances. If Mortgagor without the prior written approval of the Administrative Agent, sends written notice to the Administrative Agent which purports to limit the indebtedness secured by this Mortgage and to release the obligation of Administrative Agent on behalf of the Lenders to make any additional advances to Mortgagor.

9.2 Payment or Performance by the Administrative Agent and the Lenders. Upon the occurrence of any Event of Default, the Administrative Agent may, at its option, make any payments or take any other actions it deems necessary or desirable to cure the Event of Default or conserve the Property. The Mortgagor shall, upon demand, reimburse the Administrative Agent and the Lenders for all sums so advanced or expenses incurred by the Administrative Agent or the Lenders, together with interest at the Default Interest Rate stated in the Notes from the date of advance or payment of the same, which sums shall be secured by this Mortgage. The Administrative Agent and the Lenders may enter upon the Property without prior notice to the Mortgagor or judicial process and may take any action to enforce their rights under this Section 9.2 without liability to the Mortgagor.

9.3 Completion of Improvements: Upon the occurrence of an Event of Default, the Mortgagor agrees that the Administrative Agent may, in addition to any other remedies available to it and in its sole discretion, (i) enter upon the Land and complete the Project in accordance with the Plans and Specifications with such changes therein as the Administrative Agent may deem appropriate, and employ watchmen to protect the Property, (ii) at any time discontinue any work commenced in respect of the Project, (iii) assume any or all contracts covered by any other contracts made by the Mortgagor relating to the construction or equipping of the Retirement Community and take over and use all or any part of the labor, materials, supplies and equipment contracted for by the Mortgagor, (iv) engage builders, contractors, and others for the purpose of furnishing labor, materials and equipment in connection with the Project, and (v) pay, settle or compromise all bills or claims that may become liens against the Property. The Mortgagor shall be liable to the Administrative Agent and the Lenders for all sums paid or incurred by them to construct and equip the Property whether the same shall be paid or incurred pursuant to the provisions of this Section 9.3 or otherwise (such liabilities to be part of the Mortgagor's obligations), and all payments made or liabilities incurred by the Administrative Agent or the Lenders hereunder of any kind whatsoever shall be paid by the Mortgagor to the Administrative Agent upon demand with interest at the Default Interest Rate provided in the Notes. For the purpose of exercising the rights granted by this Section, the Mortgagor hereby irrevocably constitutes and appoints the Administrative Agent its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of the Mortgagor.

9.4 Possession by Administrative Agent. Upon the occurrence of an Event of Default, the Administrative Agent may enter upon and take possession of the Property with notice to the Mortgagor, but without judicial process or the appointment of a receiver. The

Administrative Agent may exclude all persons from the Property and may proceed to operate the Property and receive all Rents. The Administrative Agent shall have the right as agent for the Mortgagor to operate the Property and carry on the business of the Mortgagor, either in the name of the Mortgagor or otherwise. Neither the Administrative Agent nor the Lenders shall be liable to the Mortgagor for taking possession of the Property, as aforesaid, nor shall the Administrative Agent or the Lenders be required to make repairs or replacements, and the Administrative Agent shall be liable to account only for Rents actually received by the Administrative Agent. All Rents collected by the Administrative Agent shall be applied (a) first, to pay all expenses incurred in taking possession of the Property, (b) second, to pay costs and expenses to operate the Property and/or to comply with the terms of the Loan Documents, including actual attorney's fees, (c) third, to pay all sums secured by the Loan Documents in the order of priority selected by the Administrative Agent, and (d) fourth, with the balance, if any, to the Mortgagor or such other person as may be entitled thereto.

FOR THE PURPOSE OF OBTAINING POSSESSION OF THE PROPERTY IF AN EVENT OF DEFAULT HEREUNDER OR UNDER THE NOTES OR OTHER LOAN DOCUMENTS HAS OCCURRED AND IS CONTINUING, MORTGAGOR HEREBY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF ANY COURT OF RECORD IN THE STATE OF OHIO OR ELSEWHERE, AS ATTORNEY FOR MORTGAGOR AND ALL PERSONS CLAIMING UNDER OR THROUGH MORTGAGOR, TO APPEAR FOR AND CONFESS JUDGMENT IN EJECTMENT AGAINST MORTGAGOR FOR POSSESSION OF THE PROPERTY AND TO APPEAR FOR AND CONFESS JUDGMENT AGAINST MORTGAGOR, AND AGAINST ALL PERSONS CLAIMING UNDER OR THROUGH MORTGAGOR, IN FAVOR OF ADMINISTRATIVE AGENT, FOR RECOVERY BY ADMINISTRATIVE AGENT OF POSSESSION THEREOF, FOR WHICH THIS MORTGAGE, OR A COPY THEREOF VERIFIED BY AFFIDAVIT, SHALL BE A SUFFICIENT WARRANT; AND THEREUPON A WRIT OF POSSESSION MAY IMMEDIATELY ISSUE FOR POSSESSION OF THE PROPERTY, WITHOUT ANY PRIOR WRIT OR PROCEEDING WHATSOEVER AND WITHOUT ANY STAY OF EXECUTION. IF FOR ANY REASON AFTER SUCH ACTION HAS BEEN COMMENCED IT SHALL BE DISCONTINUED, OR POSSESSION OF THE PROPERTY SHALL REMAIN IN OR BE RESTORED TO MORTGAGOR, ADMINISTRATIVE AGENT SHALL HAVE THE RIGHT FOR THE SAME DEFAULT OR ANY SUBSEQUENT DEFAULT TO BRING ONE OR MORE FURTHER ACTIONS AS ABOVE PROVIDED TO RECOVER POSSESSION OF THE PROPERTY. ADMINISTRATIVE AGENT MAY CONFESS JUDGMENT IN EJECTMENT THEREIN BEFORE OR AFTER THE INSTITUTION OF PROCEEDINGS TO FORECLOSE THIS MORTGAGE OR TO ENFORCE THE NOTES OR OTHER LOAN DOCUMENTS, OR AFTER ENTRY OF JUDGMENT ON THE MORTGAGE OR ON THE NOTES, OR AFTER A SHERIFF'S SALE OF THE PROPERTY IN WHICH ADMINISTRATIVE AGENT IS THE SUCCESSFUL BIDDER. THE AUTHORIZATION TO PURSUE SUCH PROCEEDINGS FOR OBTAINING POSSESSION IS AN ESSENTIAL PART OF THE ENFORCEMENT OF THE MORTGAGE AND THE NOTES AND THE OTHER LOAN DOCUMENTS, AND SHALL SURVIVE ANY EXECUTION SALE TO ADMINISTRATIVE AGENT.

9.5 Collection of Rents. Mortgagor has not collected or accepted payment of, and will not collect, or accept payment of, rent under any of the Leases for more than one (1) month in advance. Upon the occurrence of an Event of Default and upon written demand by the Administrative Agent to the Tenant, all Rents shall be payable directly to the Administrative Agent.

9.6 Acceleration; Judgment; Foreclosure. At any time during the existence of an Event of Default, the Administrative Agent, at the Administrative Agent's option, may declare the Loan to be immediately due and payable without further demand, and may recover judgment against the Mortgagor for all amounts owing in connection with the Loan (but neither the recovery of judgment nor the levy of execution on the Property shall affect the Administrative Agent's rights hereunder or the lien hereof), may institute an action for the foreclosure of this Mortgage and the sale of the Property pursuant to the judgment or decree of a court of competent jurisdiction, sell the Property to the highest bidder or bidders at public auction at a sale or sales held at such place or places and time or times and upon such notice and otherwise in such manner as may be required by law, or in the absence of any such requirement, as Administrative Agent may deem appropriate, and from time to time adjourn such sale announcement at the time and place specified for such sale or for such adjourned sale or sales without further notice except such as may be required by law, and may invoke any other remedies permitted by Ohio law or provided in this Mortgage or in any other Loan Document, including, without limitation, the sale of the Property, in such a foreclosure proceeding or by public sale, or through a sheriff's sale, in one or several parcels, at the Administrative Agent's option and without obligation to have the Property marshalled. The Administrative Agent shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including attorneys' fees permitted under applicable law, costs of documentary evidence, abstracts and title reports.

9.7 Application and Proceeds of Sale. Upon a sale under Section 9.6, the purchaser shall receive that portion of or interest in the Property purchased by it free from any claims of the Mortgagor and without any liability to see to the application of the purchase money. The net proceeds from the sale, after deduction of all costs of the sale, shall be applied, unless otherwise required under Ohio law, (a) first, to pay all expenses incurred in taking possession of the Property, (b) second, to pay costs and expenses to operate the Property, including attorney's fees, (c) third, to pay all sums guaranteed by or due from the Mortgagor under the Loan Documents, whether then due or not, in the order of priority determined by the Administrative Agent, and (d) fourth, the balance, if any, to the Mortgagor or to other persons entitled thereto.

9.8 Insurance or Condemnation After Deficiency. If the Property is sold in a foreclosure proceeding under Section 9.6 prior to receipt of a condemnation award or payment, the Administrative Agent shall receive and apply the proceeds of the award or payment toward the satisfaction of any deficiency resulting from the sale, whether or not a deficiency judgment is sought, recovered, or denied.

9.9 Right of the Administrative Agent and Lenders to Bid. The Administrative Agent or any Lender may bid and become the purchaser at a foreclosure sale under this Mortgage.

9.10 Bond. The Mortgagor waives any right to require the person authorized to make the sale hereunder to post a bond.

9.11 Appointment of a Receiver.

(a) Upon the occurrence of an Event of Default, the Administrative Agent shall be entitled to and Mortgagor hereby consents to, the immediate appointment of a receiver for the Property, without regard to the value of the Property or the solvency of any person liable for payment of the amounts due under the Loan Documents. Upon obtaining possession of the Property or upon the appointment of a receiver, the Administrative Agent or the receiver, as the case may be, may, at its sole option, (a) make all necessary or proper repairs and additions to or upon the Property, (b) operate, maintain, control, make secure and preserve the Property, (c) receive all Rents, and (d) complete the construction of any unfinished Project Improvements on the Property and, in connection therewith, continue any and all outstanding contracts for the erection and completion of such Project Improvements and make and enter into any further contracts which may be necessary, either in their or its own name or in the name of the Mortgagor (the cost of completing the Project Improvements shall be expenses secured by this Mortgage and accrue interest as set forth herein). In so doing, the Administrative Agent or such receiver shall have the right to manage the Property and to carry on the business of the Mortgagor and may exercise all of the rights and powers of the Mortgagor, either in the name of the Mortgagor, or otherwise, including, but without limiting the generality of the foregoing, the right to lease the Property, to cancel, modify, renew or extend any lease or sublease of the Property and to carry on any contracts entered into by the Mortgagor with respect to the Property. The Administrative Agent or such receiver shall be under no liability for, or by reason of, any such taking of possession, entry, holding, removal, maintaining, operation or management, except for gross negligence or willful misconduct. The Mortgagor shall pay on demand to the Administrative Agent or the receiver (as the case may be) the amount of any deficiency between (a) the Rents received by the Administrative Agent or the receiver, and (b) all expenses incurred in taking possession of, and operating, the Property, together with interest thereon at the Default Interest Rate as provided in the Notes. The exercise of the remedies provided in this Section shall not cure or waive any Event of Default and the enforcement of such remedies, once commenced, shall continue for so long as the Administrative Agent shall elect, notwithstanding the fact that the exercise of such remedies may have, for a time, cured the original Event of Default.

(b) The failure of the Mortgagor to pay any taxes or assessments assessed against the Property, or any installment thereof, in each case prior to delinquency, or the failure to maintain in effect insurance covering the Property as required by this Mortgage or the other Loan Documents, shall constitute waste. The Mortgagor hereby consents to the appointment of a receiver, should the Administrative Agent elect to seek such relief. The Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor or hearing thereon. Payment by the Administrative Agent for or on behalf of the Mortgagor of any such delinquent payment shall not cure the default nor shall it impair the Administrative Agent's right to the appointment of a receiver.

9.12 Remedies Cumulative. All rights, powers, and remedies of the Administrative Agent provided for in the Loan Documents are cumulative and concurrent and shall be in addition to and not exclusive of any appropriate legal or equitable remedy provided by law or contract. Exercise of any right, power, or remedy shall not preclude the simultaneous or subsequent exercise of any other by the Administrative Agent.

9.13 Consent to Jurisdiction and Venue. The Mortgagor consents to be sued in any jurisdiction where any of the Property is located.

9.14 Rights Under the Uniform Commercial Code. Upon the occurrence of an Event of Default, the Mortgagor shall assemble and make available to the Administrative Agent those portions of the Property which consist of personal property at a place to be designated by the Administrative Agent, and the Administrative Agent may exercise all the rights and remedies of a secured party under the Uniform Commercial Code. Any notices required by the Uniform Commercial Code shall be deemed reasonable if mailed certified mail, return receipt requested, postage prepaid, by the Administrative Agent to the Mortgagor. Disposition of the Property shall be deemed commercially reasonable if made pursuant to a public offering advertised at least twice in a newspaper of general circulation in the County where the Property is located.

9.15 WAIVER OF JURY TRIAL. THE MORTGAGOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY A JURY IN ANY ACTION, PROCEEDING OR LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THE LOAN, THIS MORTGAGE, OR ANY OF THE OTHER LOAN DOCUMENTS TO WHICH THE MORTGAGOR IS A PARTY. THIS WAIVER APPLIES TO ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS AND PROCEEDINGS, INCLUDING PARTIES WHO ARE NOT PARTIES TO THIS MORTGAGE. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY THE MORTGAGOR WHO ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE EXECUTION OF THIS MORTGAGE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. THE MORTGAGOR FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION.

SECTION 10. MISCELLANEOUS

10.1 Financing Sign on Property, Publicity: The Mortgagor authorizes the Administrative Agent, at the expense of the Lenders, to place signs on the Land at any locations selected by the Administrative Agent and approved by the Mortgagor until completion of the Project, and to prepare and furnish news releases at any time to the news media or any other publications selected by the Administrative Agent advertising the fact that financial assistance for the Project has been obtained from the Lenders.

10.2 Waivers. No term of any Loan Document shall be deemed waived unless the waiver shall be in writing and signed by the parties making the waiver. No failure by the Administrative Agent or any Lender to insist upon the Mortgagor's strict performance of any of the terms of the Loan Documents to which the Mortgagor is a party shall be deemed or construed as a waiver of those or any other terms. Any delay in exercising or enforcing any rights with respect to a Default or an Event of Default shall not bar the Administrative Agent or any Lender from exercising any rights under the Loan Documents, or at law or in equity.

10.3 Consents.

10.03.1 The Administrative Agent and any Lender may (a) release any person liable under the Loan Documents, (b) release any part of the security, (c) extend the time of payment of the Loan, and/or (d) modify the terms of the Loan Documents, regardless of consideration and without notice to or consent by the holder of any subordinate lien on the Property. No release, extension or modification of the security held under the Loan Documents shall impair or affect the lien of this Mortgage or the priority of such lien over any subordinate lien.

10.03.2 Regardless of whether a person has been given notice or has given its prior consent, it shall not be relieved of any obligation under any Loan Documents by reason of (a) the failure of the Administrative Agent, any Lender, or any other person to take any action, foreclose, or otherwise enforce any provision of the Loan Documents, (b) the release of any other person liable under any Loan Document, (c) the release of any portion of the security under the Loan Documents, or (d) any agreement or stipulation between any subsequent owners of the Property and the Administrative Agent or any Lender extending the time of payment or modifying the terms of any Loan Document.

10.4 Headings. All section headings are for convenience only and shall not be interpreted to enlarge or restrict the provisions of this Mortgage.

10.5 Notices. All notices required or permitted hereunder shall be in writing and delivered personally or made by addressing the same to the party to whom directed at the following addresses by registered or certified mail, return receipt requested:

- (a) If to the Administrative Agent: KeyBank National Association
127 Public Square
Cleveland, Ohio 44114
Attn: Charles J. Shoop, Senior Vice President

with a copy to (which shall not constitute notice):

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 18th Floor
Baltimore, Maryland 21202

- (b) If to Mortgagor: Columbus Campus, LLC
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: Chief Financial Officer

with a copy to (which shall not constitute notice):

General Counsel
Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228

Any party may change the address to which notices are to be sent by a writing directed to the other party in the manner aforesaid. Unless otherwise specifically provided, all notices hereunder delivered personally shall be deemed delivered upon such personal delivery, and all notices hereunder given by mail, as aforesaid, shall be deemed delivered five (5) days after deposited in a United States Post Office, general or branch, or an official mail depository, maintained by the U.S. Postal Service, enclosed in a registered or certified prepaid wrapper addressed as above provided. Notice of change of address shall be deemed served when received.

10.6 Binding Effect. No transfer of any portion of the Property or any interest thereon shall relieve any transferor of its obligations under the Loan Documents. No transferor of any obligation under any Loan Document shall be relieved of its obligations by any modification of any Loan Document subsequent to the transfer.

10.7 Amendment. This Mortgage may not be modified except in writing signed by (a) the Administrative Agent and (b) the Mortgagor.

10.8 Severability. In the event any provision of this Mortgage shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

10.9 Notices from Governmental Authorities Affecting the Property. Any notice from any governmental or quasi-governmental authority or corporation with respect to the Property sent to or known by the Mortgagor shall be promptly transmitted to the Administrative Agent.

10.10 Applicable Law. This Mortgage shall be governed by and construed in accordance with the internal laws of the State of Ohio applicable to contracts made and to be performed in such state (without regard to principles of conflicts of law applicable under Ohio law and applicable laws of the United States of America).

10.11 Time of the Essence. Time is of the essence with respect to the Loan Documents.

10.12 Effect of Payments. Any payment or other performance made in accordance with the Loan Documents by any person other than the Mortgagor shall not entitle such person to any right of subrogation under the Loan Documents, unless expressly consented to in writing by the Administrative Agent.

10.13 Word Forms. The use of any gender, tense, or conjugation herein shall be applicable to all genders, tenses and conjugations. The use of the singular shall include the plural and the plural shall include the singular.

10.14 Assignment of Rents. The Mortgagor, as additional security for the payment of the debt evidenced by the Notes, together with interest thereon, insurance premiums, taxes and assessments, at the time and in the manner provided herein, and for the performance of the covenants and agreements contained herein and in the Notes and/or the Loan Documents, does hereby sell, assign, transfer and set over unto the Administrative Agent all of the rents, profits, income and other moneys, whether due or to become due, under all oral or written leases, licenses or other agreements for the use or occupancy of the Property, or any part thereof, in existence or coming into existence during the period this Mortgage is in effect. This assignment of rents shall run with the land and be good and valid as against the Mortgagor herein, or those claiming by, through or under the Mortgagor, from the date of the recording of this Mortgage in Ohio, provided, however, that the Mortgagor may collect and retain such rents, profits and income so long as the Mortgagor is not in default hereunder. This assignment shall continue to be operative during the foreclosure or any other proceeding taken to enforce this Mortgage. In the event of a sale on foreclosure which shall result in deficiency, this assignment shall stand as security during the redemption period for the payment of such deficiency.

In the event of default by the Mortgagor under this Mortgage, the Notes or the Loan Documents, the Mortgagor shall, upon demand therefor made by the Administrative Agent, deliver and surrender possession of the Property to the Administrative Agent, who shall thereafter collect the rents, profits and income therefrom, rent or lease said Property or any portion thereof upon such terms and for such time as it may deem best, terminate any tenancy and maintain proceedings to recover rents or possession of the Property from any tenant or trespasser, and apply the proceeds of such rent, profits and income actually collected, less all reasonable costs incurred in making such collection or in renting, leasing, operating or maintaining the Property, in such order of priority, proportion and upon such item or items as it may determine.

If the Mortgagor fails, refuses or neglects to deliver or surrender such possession, the Administrative Agent shall be entitled to the appointment of a receiver of the Property and of the earnings, issues, rents, profits and income with such power as the Court making such appointment may confer. The collection by the Administrative Agent of rents or other income from the Property shall in no way waive the right of the Administrative Agent to foreclose this Mortgage in the event of default, and the Administrative Agent shall be entitled to all of the rights and remedies accorded to a beneficiary by the statutes of the State of Ohio in effect from time to time.

10.15 Future Advances. If Mortgagor sends a written notice to Administrative Agent which purports to limit the indebtedness secured by this Mortgage and to release the obligation of Administrative Agent to make any additional advances to Mortgagor, such a notice shall be ineffective as to any future advances made: (i) to enable completion of the Project Improvements on the Property for which the loan secured hereby was originally made; (ii) to pay taxes, assessments, maintenance charges and insurance premiums; (iii) for costs incurred for the protection of the Property or the lien of this Mortgage; (iv) for expenses incurred by Administrative Agent by reason of a default of Mortgagor hereunder or under the Notes or Loan Agreement; and (v) for any other costs incurred by Administrative Agent to protect and preserve the Property. It is the intention of the parties hereto that any such advance made by

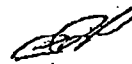
Administrative Agent after any such notice by Mortgagor shall be secured by the lien of this Mortgage on the Property.

10.16 [Intentionally Omitted.]

10.17 Release. If the indebtedness evidenced by this Mortgage is paid in full in accordance with the terms of this Mortgage, the Notes, the Loan Agreement or any of the other Loan Documents, then this conveyance shall become null and void and be released at Mortgagor's request and expense, and the Lenders shall have no further obligation to make advances under and pursuant to the provisions hereof or in the Loan Agreement or any of the other Loan Documents.

10.18 ENTIRE AGREEMENT; AMENDMENT. THE PARTIES AGREE THAT THIS ENTIRE AGREEMENT IS NONSTANDARD AND CONTAINS SUFFICIENT SPACE FOR THE PLACEMENT OF NONSTANDARD TERMS. THIS AGREEMENT CONTAINS ALL OF THE AGREEMENTS AND IS INTENDED TO BE THE FINAL EXPRESSION OF THE CREDIT AGREEMENT OF MORTGAGOR AND MORTGAGEE, RELATING TO THE SUBJECT MATTER HEREOF, AND SUPERSEDES ANY AND ALL PRIOR DISCUSSION AND/OR AGREEMENTS RELATIVE THERETO. THIS AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR ORAL CREDIT AGREEMENT OR OF A CONTEMPORANEOUS ORAL CREDIT AGREEMENT BETWEEN MORTGAGOR AND MORTGAGEE. MORTGAGOR AND MORTGAGEE HEREBY INITIAL THIS PROVISION AS AN AFFIRMATION THAT NO UNWRITTEN, ORAL CREDIT AGREEMENTS BETWEEN THE PARTIES EXIST.

MORTGAGOR'S INITIALS:
MORTGAGEE'S INITIALS:



The provisions hereof and any of the other Loan Documents may be amended or waived only by an instrument in writing signed by Mortgagor and the Mortgagee, subject to the provisions of the other Loan Documents.

10.19 Waiver of Statutory and Other Rights. To the extent permitted by law, Mortgagor shall not, and will not, apply for or avail itself of and hereby expressly waives for itself and its successors and assigns any appraisal, valuation, stay, homestead exemption, extension or exemption laws, any so-called "Moratorium Laws", all rights to redeem, periods of redemption and equity of redemption now existing or hereafter enacted, and any other law which would prevent or hinder the enforcement or foreclosure of this Mortgage. Mortgagor, for itself and all who may claim through or under it, expressly waives any and all right to have the property and estates comprising the Property marshaled upon any foreclosure of the lien hereof and agree that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety.

10.20 Certain Matters Relating to Property Located in the State of Ohio. With respect to the Property which is located in the State of Ohio, notwithstanding anything contained herein to the contrary:

Administrative Agent after any such notice by Mortgagor shall be secured by the lien of this Mortgage on the Property.


10.16 [Intentionally Omitted.]

10.17 Release. If the indebtedness evidenced by this Mortgage is paid in full in accordance with the terms of this Mortgage, the Notes, the Loan Agreement or any of the other Loan Documents, then this conveyance shall become null and void and be released at Mortgagor's request and expense, and the Lenders shall have no further obligation to make advances under and pursuant to the provisions hereof or in the Loan Agreement or any of the other Loan Documents.

10.18 ENTIRE AGREEMENT; AMENDMENT. THE PARTIES AGREE THAT THIS ENTIRE AGREEMENT IS NONSTANDARD AND CONTAINS SUFFICIENT SPACE FOR THE PLACEMENT OF NONSTANDARD TERMS. THIS AGREEMENT CONTAINS ALL OF THE AGREEMENTS AND IS INTENDED TO BE THE FINAL EXPRESSION OF THE CREDIT AGREEMENT OF MORTGAGOR AND MORTGAGEE, RELATING TO THE SUBJECT MATTER HEREOF, AND SUPERSEDES ANY AND ALL PRIOR DISCUSSION AND/OR AGREEMENTS RELATIVE THERETO. THIS AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR ORAL CREDIT AGREEMENT OR OF A CONTEMPORANEOUS ORAL CREDIT AGREEMENT BETWEEN MORTGAGOR AND MORTGAGEE. MORTGAGOR AND MORTGAGEE HEREBY INITIAL THIS PROVISION AS AN AFFIRMATION THAT NO UNWRITTEN, ORAL CREDIT AGREEMENTS BETWEEN THE PARTIES EXIST.

MORTGAGOR'S INITIALS:

MORTGAGEE'S INITIALS:


CHARLES W. CASHIN III
ANP - CLOSING OFFICER

The provisions hereof and any of the other Loan Documents may be amended or waived only by an instrument in writing signed by Mortgagor and the Mortgagee, subject to the provisions of the other Loan Documents.

10.19 Waiver of Statutory and Other Rights. To the extent permitted by law, Mortgagor shall not, and will not, apply for or avail itself of and hereby expressly waives for itself and its successors and assigns any appraisal, valuation, stay, homestead exemption, extension or exemption laws, any so-called "Moratorium Laws", all rights to redeem, periods of redemption and equity of redemption now existing or hereafter enacted, and any other law which would prevent or hinder the enforcement or foreclosure of this Mortgage. Mortgagor, for itself and all who may claim through or under it, expressly waives any and all right to have the property and estates comprising the Property marshaled upon any foreclosure of the lien hereof and agree that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety.

10.20 Certain Matters Relating to Property Located in the State of Ohio. With respect to the Property which is located in the State of Ohio, notwithstanding anything contained herein to the contrary:

10.020.1 This Mortgage shall secure the unpaid balance of Loan advances made by the Lender after this Mortgage is delivered to the County Recorder of Franklin County, Ohio for record to the fullest extent and with the highest priority as contemplated by Section 5301.232 of the Ohio Revised Code. The maximum amount of unpaid balance of all Loan advances, in the aggregate and exclusive of interest thereon and other advances made as contemplated by the next sentence, which may be outstanding at any one time is \$90,000,000. In addition to any other debt or obligation secured hereby, this Mortgage shall also secure unpaid balances of advances made with respect to the Property for the payment of taxes, assessments, insurance premiums or costs incurred for the protection of the Property, as contemplated by Section 5301.233 of the Ohio Revised Code. If and to the extent applicable, Mortgagor hereby waives any right it may have under Section 5301.232(C) of the Ohio Revised Code. This Mortgage secures an obligation incurred to pay off prior encumbrances on the Property and for the construction of improvements on the Real Property, and consequently, is a "construction mortgage" within the meaning of the Ohio Uniform Commercial Code and is further entitled to the benefits of Section 3111.14 of the Ohio Revised Code.

10.020.2 Mortgagee shall be and hereby is authorized and empowered to do, as mortgagee, all things provided to be done in the mechanics' lien laws of the State of Ohio (including Section 1311.14 of the Ohio Revised Code), and all acts amendatory or supplementary thereto.

10.020.3 Mortgagor shall file, or amend, an appropriate Notice of Commencement pursuant to Section 1311.04 of the Ohio Revised Code in the office of the county recorder in the county where the Real Property is located prior to the commencement of any construction, demolition or renovation activities on or to the Real Property. If Mortgagor fails to file a Notice of Commencement in connection with any construction, renovation or demolition activities on or to the Real Property, Mortgagee may do so, and all costs and expenses incurred by Mortgagee in making such filing, including but not limited to costs and expenses incurred in obtaining the information required to make such filing and the costs of preparing and recording the Notice of Commencement, shall be immediately due and payable by Mortgagor to Mortgagee and, until paid, shall be additional indebtedness of Mortgagor to Mortgagee secured by this Mortgage and on which interest shall accrue at the rate stated in the Note and Loan Agreement. Mortgagor acknowledges and agrees that Mortgagee is not, and shall not be deemed to be, an agent of Mortgagor in connection with any construction, demolition or renovation activities undertaken by Mortgagor. Mortgagor indemnifies and shall defend and hold harmless Mortgagee from and against any claims against Mortgagee relating to any construction, demolition or renovation activities undertaken by Mortgagor. Mortgagor shall provide to Mortgagee a copy of each Notice of Commencement pursuant to Section 1311.05 of the Ohio Revised Code promptly upon its receipt of same.

10.020.4 With respect to any agreement by Mortgagor in this Mortgage or in any other Loan Document to pay Mortgagee's attorney's fees and disbursements incurred in connection with the Loan, Mortgagor agrees that each Loan Document is a "contract of indebtedness" and that the attorneys' fees and disbursements referenced are those which are a reasonable amount, all as contemplated by Ohio Revised Code Section 1301.21, as such Section may hereafter be amended. Mortgagor further agrees that the indebtedness incurred in connection with the Loan is not incurred for purposes that are primarily personal, family or

household and confirms that the total amount owed on the contract of indebtedness exceeds \$100,000.00.

10.020.5 Mortgagee shall have the right, but not the obligation, to make protective advances with respect to the Property for the payment of taxes, assessments, insurance premiums, maintenance and all other costs incurred for the protection of the Property as contemplated by Section 5301.233 of the Ohio Revised Code, and such protective advances, together with interest thereon at the default rate set forth in the Loan Agreement from the date of each such advance, regardless of the time when such advance is made, until it is repaid in full, shall be secured by this Mortgage to the fullest extent and with the highest priority contemplated by said Section 5301.233.

10.020.6 This Mortgage constitutes a financing statement filed as a fixture filing under Article 9 of the Ohio Uniform Commercial Code, as amended or recodified from time to time, covering any Personal Property which now is or later may become fixtures attached to the Real Property. Mortgagor is the "Debtor" and its name and mailing address are set forth in the Section 10.5 of this Mortgage. Mortgagee is the "Secured Party" and its name and mailing address from which information concerning the security interest granted herein may be obtained are also set forth in Section 10.5 of this Mortgage. A statement describing the portion of the Property comprising the fixtures hereby secured is set forth in Section 3.2 of this Mortgage. The record owner of the Real Property is Mortgagor. The organizational identification number of Debtor (Mortgagor) is set forth on the cover page hereof.

10.020.7 The Note and Loan Agreement contain a variable rate provision.

(Signature Page Attached)

WARNING

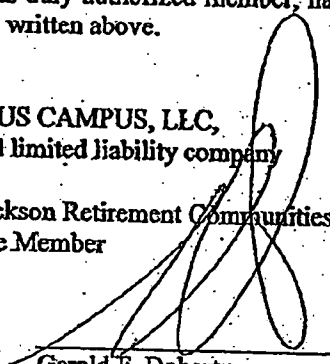
BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.

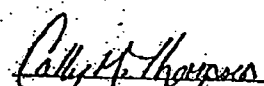
IN WITNESS WHEREOF the Mortgagor, by its duly authorized member, has executed and delivered this Mortgage as of the date and year first written above.

WITNESSES:

COLUMBUS CAMPUS, LLC,
a Maryland limited liability company

By: Erickson Retirement Communities, LLC,
Sole Member

By:  (SEAL)
Gerald F. Doherty,
Executive Vice President


Cathy M. Thompson
Print Name:

STATE OF MARYLAND

COUNTY OF

Baltimore

)
: to-wit:
)

The foregoing instrument was subscribed, sworn to and acknowledged before me the undersigned notary public, on this 8th day of April 2008, in the jurisdiction aforesaid, by Gerald F. Doherty, Executive Vice President, General Counsel and Secretary of Erickson Retirement Communities, LLC, a Maryland limited liability company, which is the sole member of Columbus Campus, LLC.



Lois M. Shaw (SEAL)
NOTARY PUBLIC

LOIS M. SHAW
NOTARY PUBLIC STATE OF MARYLAND
My Comm. Exp. October 1, 2008

PREPARED BY AND WHEN RECORDED, RETURN TO:

BALLARD SPAHR ANDREWS & INGERSOLL, LLP
300 East Lombard Street, 18th Floor
Baltimore, Maryland 21202-3268
Attention: Christopher J. Fritz, Esquire

EXHIBIT A

Description of Land

(see attached)

PARCEL 1:

SITUATE IN THE STATE OF OHIO, COUNTY OF FRANKLIN, CITY OF HILLIARD, LYING IN VIRGINIA MILITARY SURVEY NOS. 3000 AND 4854, BEING PART OF THE 40.924 AND ALL OF THE 0.742 ACRE TRACTS CONVEYED TO COLUMBUS CAMPUS LLC BY DEED OF RECORD IN INSTRUMENT NUMBER 200801170008512, AND PART OF THE 45.957 ACRE TRACT CONVEYED TO COLUMBUS CAMPUS LLC BY DEED OF RECORD IN INSTRUMENT NUMBER 200801170008509, (ALL REFERENCES REFER TO THE RECORDS OF THE RECORDER'S OFFICE, FRANKLIN COUNTY, OHIO) BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING, FOR REFERENCE, AT FRANKLIN COUNTY GEODETIC SURVEY MONUMENT NUMBER 0005 RESET FOUND AT THE CENTERLINE INTERSECTION OF DAVIDSON ROAD (VARIABLE WIDTH) AND LEAP ROAD (VARIABLE WIDTH);

THENCE SOUTH 23° 37' 07" EAST, A DISTANCE OF 1243.56 FEET, WITH THE CENTERLINE OF SAID LEAP ROAD, TO A POINT;

THENCE NORTH 66° 22' 53" EAST, A DISTANCE OF 50.00 FEET, ACROSS THE RIGHT-OF-WAY OF SAID LEAP ROAD AND ENTERING SAID 45.957 ACRE TRACT, TO AN IRON PIN SET, THE TRUE POINT OF BEGINNING;

THENCE ACROSS SAID 45.957 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 68° 44' 53" EAST, A DISTANCE OF 556.74 FEET, TO AN IRON PIN SET AT A POINT OF CURVATURE;

WITH SAID CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 09° 08' 20", A RADIUS OF 1099.00 FEET, AN ARC LENGTH OF 175.29 FEET, AND A CHORD WHICH BEARS NORTH 60° 37' 51" EAST, A CHORD DISTANCE OF 175.11 FEET, TO AN IRON PIN SET;

NORTH 23° 37' 07" WEST, A DISTANCE OF 384.33 FEET, TO AN IRON PIN SET IN THE LINE COMMON TO SAID 45.957 ACRE TRACT AND THE REMAINDER OF THE ORIGINAL TRACT THREE CONVEYED TO WOLPERT ENTERPRISES, LIMITED BY DEED OF RECORD IN INSTRUMENT NUMBER 200204080088414;

THENCE NORTH 84° 08' 15" EAST, A DISTANCE OF 1139.80 FEET, WITH THE NORTHERLY LINE OF SAID 45.957 AND 0.742 ACRE TRACTS AND WITH THE SOUTHERLY LINES OF THE REMAINDER OF SAID TRACT THREE, THE SOUTHERLY LINE OF THE REMAINDER OF THE ORIGINAL TRACT TWO CONVEYED TO WOLPERT ENTERPRISES, LIMITED BY DEED OF RECORD IN INSTRUMENT NUMBER 200204080088414 AND A SOUTHERLY LINE OF THE REMAINDER OF THE ORIGINAL

TRACT 1 CONVEYED TO ANSMIL LIMITED PARTNERSHIP BY DEED OF RECORD IN OFFICIAL RECORD 32225 G17, TO AN IRON PIN SET;

THENCE SOUTH $05^{\circ} 55' 17''$ EAST, A DISTANCE OF 353.64 FEET, WITH THE LINE COMMON TO SAID 0.742 ACRE TRACT AND THE REMAINDER OF SAID ORIGINAL TRACT 1, TO AN IRON PIN SET AT A POINT OF CURVATURE;

THENCE WITH SAID CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF $17^{\circ} 44' 53''$, A RADIUS OF 1332.49 FEET, AN ARC LENGTH OF 412.75 FEET, AND A CHORD WHICH BEARS SOUTH $14^{\circ} 47' 43''$ EAST, A CHORD DISTANCE OF 411.10 FEET, WITH AN EASTERLY LINE OF SAID 0.742 AND 45.957 ACRE TRACTS AND A WESTERLY LINE OF THE REMAINDERS OF SAID ORIGINAL TRACT 1 AND ORIGINAL TRACT TWO, TO AN IRON PIN SET AT A POINT OF TANGENCY;

THENCE SOUTH $23^{\circ} 40' 10''$ EAST, A DISTANCE OF 353.83 FEET, WITH AN EASTERLY LINE OF SAID 45.957 AND 40.924 ACRE TRACTS, AND WITH A WESTERLY LINE OF THE REMAINDERS OF SAID ORIGINAL TRACT TWO AND ORIGINAL PARCEL TWO, TRACT TWO CONVEYED TO ANSMIL LIMITED PARTNERSHIP BY DEED OF RECORD IN OFFICIAL RECORDS 32225 G17 AND 32225 105, TO AN IRON PIN SET;

THENCE CONTINUING WITH THE LINE COMMON TO SAID 40.924 ACRE TRACT, THE REMAINDER OF SAID ORIGINAL PARCEL TWO, TRACT TWO AND THE REMAINDER OF THE ORIGINAL PARCEL TWO, TRACT THREE CONVEYED TO ANSMIL LIMITED PARTNERSHIP BY DEED OF RECORD IN OFFICIAL RECORDS 32225 G17 AND 32225 105, THE FOLLOWING COURSES AND DISTANCES:

SOUTH $01^{\circ} 52' 05''$ EAST, A DISTANCE OF 53.85 FEET, TO AN IRON PIN SET;

SOUTH $23^{\circ} 40' 10''$ EAST, A DISTANCE OF 105.00 FEET, TO AN IRON PIN SET;

SOUTH $45^{\circ} 28' 15''$ EAST, A DISTANCE OF 53.85 FEET, TO AN IRON PIN SET;

SOUTH $23^{\circ} 40' 10''$ EAST, A DISTANCE OF 514.24 FEET, TO AN IRON PIN SET AT A POINT OF CURVATURE;

WITH SAID CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF $08^{\circ} 02' 24''$, A RADIUS OF 1390.00 FEET, AN ARC LENGTH OF 195.05 FEET, AND A CHORD WHICH BEARS SOUTH $19^{\circ} 38' 58''$ EAST, A CHORD DISTANCE OF 194.89 FEET, TO AN IRON PIN SET;

SOUTH $74^{\circ} 22' 14''$ WEST, A DISTANCE OF 20.00 FEET, TO AN IRON PIN SET;

WITH A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF $01^{\circ} 02' 00''$, A RADIUS OF 1370.00 FEET, AN ARC LENGTH OF 24.71 FEET, AND A CHORD WHICH BEARS SOUTH $15^{\circ} 06' 46''$ EAST, A CHORD DISTANCE OF 24.71 FEET, TO AN IRON PIN SET;

SOUTH 76° 07' 35" WEST, A DISTANCE OF 82.51 FEET, TO AN IRON PIN SET;
SOUTH 70° 47' 24" WEST, A DISTANCE OF 286.15 FEET, TO AN IRON PIN SET;
SOUTH 68° 02' 13" WEST, A DISTANCE OF 159.38 FEET, TO AN IRON PIN SET;
SOUTH 82° 20' 53" WEST, A DISTANCE OF 300.01 FEET, TO AN IRON PIN SET;
SOUTH 76° 34' 35" WEST, A DISTANCE OF 307.14 FEET, TO AN IRON PIN SET;
SOUTH 82° 47' 36" WEST, A DISTANCE OF 138.56 FEET, TO AN IRON PIN SET;
NORTH 79° 56' 50" WEST, A DISTANCE OF 85.56 FEET, TO AN IRON PIN SET;
NORTH 71° 18' 50" WEST, A DISTANCE OF 150.01 FEET, TO AN IRON PIN SET;
NORTH 65° 38' 53" WEST, A DISTANCE OF 208.41 FEET, TO AN IRON PIN SET;
NORTH 57° 48' 25" WEST, A DISTANCE OF 129.32 FEET, TO AN IRON PIN SET;
NORTH 59° 01' 48" WEST, A DISTANCE OF 170.38 FEET, TO AN IRON PIN SET;
NORTH 67° 18' 16" WEST, A DISTANCE OF 57.59 FEET, TO AN IRON PIN SET;
NORTH 80° 44' 53" WEST, A DISTANCE OF 8.85 FEET, TO AN IRON PIN SET;

THENCE ACROSS SAID 40.924 AND 45.957 ACRE TRACTS, THE FOLLOWING COURSES AND DISTANCES:

NORTH 02° 32' 02" EAST, A DISTANCE OF 270.04 FEET, TO AN IRON PIN SET AT A POINT OF CURVATURE;

WITH SAID CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 26° 09' 10", A RADIUS OF 600.00 FEET, AN ARC LENGTH OF 273.87 FEET, AND A CHORD WHICH BEARS NORTH 10° 32' 33" WEST, A CHORD DISTANCE OF 271.50 FEET, TO AN IRON PIN SET;

NORTH 23° 37' 07" WEST, A DISTANCE OF 682.05 FEET, TO THE TRUE POINT OF BEGINNING, CONTAINING 77.019 ACRES, MORE OR LESS.

PARCEL 2:

SITUATED IN THE STATE OF OHIO, COUNTY OF FRANKLIN, CITY OF HILLIARD, LYING IN VIRGINIA MILITARY SURVEY NUMBER 4854, VIRGINIA MILITARY DISTRICT, BEING PART OF THE 45.957 ACRE TRACT CONVEYED TO COLUMBUS

CAMPUS LLC BY DEED OF RECORD IN INSTRUMENT NUMBER 200801170008509,
(ALL REFERENCES REFER TO THE RECORDS OF THE RECORDER'S OFFICE,
FRANKLIN COUNTY, OHIO), BEING MORE PARTICULARLY DESCRIBED AS
FOLLOWS:

BEGINNING, FOR REFERENCE, AT FRANKLIN GEODETIC SURVEY MONUMENT
NUMBER 0005 RESET FOUND AT THE CENTERLINE INTERSECTION OF LEAP ROAD
(VARIABLE WIDTH) AND DAVIDSON ROAD (VARIABLE WIDTH);

THENCE SOUTH $23^{\circ} 37' 07''$ EAST, A DISTANCE OF 614.75 FEET, WITH THE
CENTERLINE OF SAID LEAP ROAD, TO A MAGNETIC NAIL SET AT THE COMMON
CORNER OF SAID 45.957 ACRE TRACT AND THE REMAINDER OF THE ORIGINAL
TRACT THREE AS CONVEYED TO WOLPERT ENTERPRISES, LIMITED BY DEED OF
RECORD. IN INSTRUMENT NUMBER 200204080088414;

THENCE NORTH $84^{\circ} 08' 15''$ EAST, A DISTANCE OF 52.50 FEET, ACROSS THE RIGHT-
OF-WAY OF SAID LEAP ROAD AND WITH THE LINE COMMON TO SAID 45.957 ACRE
TRACT AND THE REMAINDER OF SAID ORIGINAL TRACT THREE, TO AN IRON PIN
SET, THE TRUE POINT OF BEGINNING;

THENCE NORTH $84^{\circ} 08' 15''$ EAST, A DISTANCE OF 767.02 FEET, CONTINUING WITH
SAID COMMON LINE, TO AN IRON PIN SET;

THENCE ACROSS SAID 45.957 ACRE TRACT, THE FOLLOWING COURSES AND
DISTANCES:

SOUTH $23^{\circ} 37' 07''$ EAST, A DISTANCE OF 384.33 FEET, TO AN IRON PIN SET ON A
CURVE;

WITH SAID CURVE, TO THE RIGHT, HAVING A CENTRAL ANGLE OF $09^{\circ} 08' 20''$, A
RADIUS OF 1099.00 FEET, AN ARC LENGTH OF 175.29 FEET, AND A CHORD
BEARING SOUTH $60^{\circ} 37' 51''$ WEST, A CHORD DISTANCE OF 175.11 FEET, TO AN
IRON PIN SET AT A POINT OF TANGENCY;

SOUTH $68^{\circ} 44' 53''$ WEST, A DISTANCE OF 556.74 FEET, TO AN IRON PIN SET;

NORTH $23^{\circ} 37' 07''$ WEST, A DISTANCE OF 612.80 FEET, TO THE TRUE POINT OF
BEGINNING, CONTAINING 8.528 ACRES, MORE OR LESS.

PARCEL 1 AND PARCEL 2 BEING THE SAME PROPERTY CONVEYED, TO
COLUMBUS CAMPUS, LLC BY GENERAL WARRANTY DEEDS IN INSTRUMENT
NUMBER 200803120038096 AND INSTRUMENT NUMBER 200803120038094,
RECORDER'S OFFICE, FRANKLIN COUNTY, OHIO.

EXHIBIT 5

UCC APPROVAL SHEET

** KEEP WITH DOCUMENT **

TRANSACTION TYPE

FEES REMITTED

— UO - Original Financing Statement	\$25.00
— UOA - Original Financing Statement with assignment	\$25.00
— UOTU - Original Financial Statement Transmitting Utility	\$25.00
— UMA - Amendment	\$25.00
— UMDA - Amendment - Debtor Added	\$25.00
— UMDC - Amendment - Debtor Name Change	\$25.00
— UMDD - Amendment - Debtor Deleted	\$25.00
— UMSA - Amendment - Secured Party Added	\$25.00
— UMSC - Amendment - Secured Party Name Change	\$25.00
— UMSD - Amendment - Secured Party Deleted	\$25.00
— UMC - Amendment - Continuation	\$25.00
— UMT - Amendment - Termination	\$25.00
— UMZ - Amendment - Assignment	\$25.00
— UMZP - Amendment - Partial Assignment	\$25.00
— UMCS - Amendment - Correction Statement	\$25.00
— UOMH - Manufactured Home-Original Financing Statement	\$25.00
— UOPF - Public Finance-Original Financing Statement	\$25.00
— Documents Nine (9) Pages or More	\$75.00
— Certified Copies	
— Plain Copies	

TOTAL FEES: 2500



RECORDED ON 03/27/2008 AT 01:58 PM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
MO # 0001582183 ACK # 1000361986179838
ORIGINAL FILE NUMBER: 0000000181337670
PAGES: 0002

☐ OTHER CHANGES:

Code _____

Attention: _____

NO FEE TRANSACTION TYPES

- URC - Copies
- UNCP - Void - Non-Payment
- UCC - Cancellation
- UCR - Reinstatement
- UCO - Departmental Action
- UCREF - Refund Recordation Tax
- UCIS - Incorrect ID Number
- XOVURU - UCC Overrides
- UMFC - Filing Office Correction Statement

Method of Payment:

Cash ☐ Check ☒ Credit Card ☐

Number of Checks ☐

Comment(s): _____

BALLARD SPAHR ANDREWS & INGERSOLL
18TH FLOOR
300 EAST LOMBARD ST.
BALTIMORE MD 21202-3288

Stamp work order and clearance.

CUST ID: 0002109145
WORK ORDER: 0001582183
DATE: 04-01-2008 09:37 AM
MT. Paid: \$200.00

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY.

A. NAME & PHONE OF CONTACT AT FILER (optional)

Elizabeth de Mozenette

(410) 528-5821

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Matthew G. Steinhilber, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 18th Floor
Baltimore, Maryland 21202

CUST ID: 0002109145
WORK ORDER: 0001352183
DATE: 04-01-2008 09:37 AM
AMT. PAID: \$200.00

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b).

1a. ORGANIZATION'S NAME
OR
Columbus Campus, LLC

1b. INDIVIDUAL'S LAST NAME FIRST NAME

1c. MAILING ADDRESS

701 Maiden Choice Lane

CITY
Baltimore

STATE
MD

POSTAL CODE
21228

COUNTRY
USA

1d. TAX ID# SSN OR EIN

ADDL INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION
limited liability
company

1f. JURISDICTION OF ORGANIZATION
Maryland

1g. ORGANIZATIONAL ID#, if any
MD - W10773018 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or complete names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. TAX ID# SSN OR EIN

ADDL INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID#, if any ☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR (SP)) - Insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

KeyBank National Association, in its capacity as Lead Arranger and Administrative Agent

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

127 Public Square

CITY

Cleveland

STATE

OH

POSTAL CODE

44114

COUNTRY

USA

4. This FINANCING STATEMENT covers the following collateral:

All assets of Debtor.

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG, UEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed (or recorded) in the REAL ESTATE RECORDS. Attach Addendums (if applicable)

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) (optional) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

9992207 ("all assets" UCC - Borrower as Debtor) File with Maryland SDAT Matter No. 013361

FILING OFFICE COPY - NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

UCC FINANCING STATEMENT

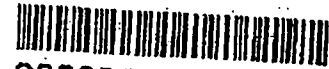
FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
Elizabeth de Mozenette

(410) 528-5621

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Matthew G. Steinhilber, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 18th Floor
Baltimore, Maryland 21202

REAL ESTATE

200804140056782

pgs: 7 \$20.00 T20080025459
34/14/2008 2:32PM MEPBALLARD SP
Robert G. Montgomery
Franklin County Recorder

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

OR

1a. ORGANIZATION'S NAME

Columbus Campus, LLC

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

701 Malden Choice Lane

CITY

Baltimore

STATE

MD

POSTAL CODE

21228

COUNTRY

USA

1d. TAX ID #: SSN OR EIN

ADD'L INFO RE
ORGANIZATION
DEBTOR1e. TYPE OF ORGANIZATION
limited liability co.1f. JURISDICTION OF ORGANIZATION
Maryland1g. ORGANIZATIONAL ID#, if any
MD - W10773018☐ NONE**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME** - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names

OR

2a. ORGANIZATION'S NAME

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. TAX ID#: SSN OR EIN

ADD'L INFO RE
ORGANIZATION
DEBTOR2e. TYPE OF
ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID#, if any

☐ NONE**3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P)** - Insert only one secured party name (3a or 3b)

OR

3a. ORGANIZATION'S NAME

KeyBank National Association, in its capacity as Lead Arranger and Administrative Agent

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

127 Public Square

CITY

Cleveland

STATE

OH

POSTAL CODE

44114

COUNTRY

USA

4. This FINANCING STATEMENT covers the following collateral:

All assets of Debtor, including all fixtures located on the land described in Exhibit A attached hereto.

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING**6. ☒ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)** **7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (if applicable)** **ADDITIONAL FEE** ☐ optional ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2**8. OPTIONAL FILER REFERENCE DATA**

9992147

("all assets" UCC Borrower as Debtor)

File with Franklin Co. Land Records

Matter No. 013361

FILING OFFICE COPY - NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME

OR Columbus Campus, LLC

9b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR 11b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

11c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

11d. TAX ID#, SSN OR EIN

ADD'L INFO RE
ORGANIZATION
DEBTOR

11e. TYPE OF ORGANIZATION

11f. JURISDICTION OF ORGANIZATION

11g. ORGANIZATIONAL ID #, if any

☐ None

12. ☒ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME - Insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

12c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

13. This FINANCING STATEMENT covers ☐ timber to be cut or ☐ as-extracted collateral, or is filed as a ☒ fixture filing.

14. Description of real estate:

See Exhibit A attached hereto and incorporated by reference herein.

15. Name and address of a RECORD Owner of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description.

17. Check only if applicable and check only one box.
Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

☐ Debtor is a TRANSMITTING UTILITY

☐ Filed in connection with a Manufactured-Home Transaction - effective 30 years

☐ Filed in connection with a Public-Finance Transaction - effective 30 years.

EXHIBIT A

(Legal Description of Property)

(see next page)

PARCEL 1:

SITUATE IN THE STATE OF OHIO, COUNTY OF FRANKLIN, CITY OF HILLIARD, LYING IN VIRGINIA MILITARY SURVEY NOS. 3000 AND 4854, BEING PART OF THE 40.924 AND ALL OF THE 0.742 ACRE TRACTS CONVEYED TO COLUMBUS CAMPUS LLC BY DEED OF RECORD IN INSTRUMENT NUMBER 200801170008512, AND PART OF THE 45.957 ACRE TRACT CONVEYED TO COLUMBUS CAMPUS LLC BY DEED OF RECORD IN INSTRUMENT NUMBER 200801170008509, (ALL REFERENCES REFER TO THE RECORDS OF THE RECORDER'S OFFICE, FRANKLIN COUNTY, OHIO) BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING, FOR REFERENCE, AT FRANKLIN COUNTY GEODETIC SURVEY MONUMENT NUMBER 0005 RESET FOUND AT THE CENTERLINE INTERSECTION OF DAVIDSON ROAD (VARIABLE WIDTH) AND LEAP ROAD (VARIABLE WIDTH);

THENCE SOUTH $23^{\circ} 37' 07''$ EAST, A DISTANCE OF 1243.56 FEET, WITH THE CENTERLINE OF SAID LEAP ROAD, TO A POINT;

THENCE NORTH $66^{\circ} 22' 53''$ EAST, A DISTANCE OF 50.00 FEET, ACROSS THE RIGHT-OF-WAY OF SAID LEAP ROAD AND ENTERING SAID 45.957 ACRE TRACT, TO AN IRON PIN SET, THE TRUE POINT OF BEGINNING;

THENCE ACROSS SAID 45.957 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH $68^{\circ} 44' 53''$ EAST, A DISTANCE OF 556.74 FEET, TO AN IRON PIN SET AT A POINT OF CURVATURE;

WITH SAID CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF $09^{\circ} 08' 20''$, A RADIUS OF 1099.00 FEET, AN ARC LENGTH OF 175.29 FEET, AND A CHORD WHICH BEARS NORTH $60^{\circ} 37' 51''$ EAST, A CHORD DISTANCE OF 175.11 FEET, TO AN IRON PIN SET;

NORTH $23^{\circ} 37' 07''$ WEST, A DISTANCE OF 384.33 FEET, TO AN IRON PIN SET IN THE LINE COMMON TO SAID 45.957 ACRE TRACT AND THE REMAINDER OF THE ORIGINAL TRACT THREE CONVEYED TO WOLPERT ENTERPRISES, LIMITED BY DEED OF RECORD IN INSTRUMENT NUMBER 200204080088414;

THENCE NORTH $84^{\circ} 08' 15''$ EAST, A DISTANCE OF 1139.80 FEET, WITH THE NORTHERLY LINE OF SAID 45.957 AND 0.742 ACRE TRACTS AND WITH THE SOUTHERLY LINES OF THE REMAINDER OF SAID TRACT THREE, THE SOUTHERLY LINE OF THE REMAINDER OF THE ORIGINAL TRACT TWO CONVEYED TO WOLPERT ENTERPRISES, LIMITED BY DEED OF RECORD IN INSTRUMENT NUMBER 200204080088414 AND A SOUTHERLY LINE OF THE REMAINDER OF THE ORIGINAL

TRACT 1 CONVEYED TO ANSMIL LIMITED PARTNERSHIP BY DEED OF RECORD IN OFFICIAL RECORD 32225 G17, TO AN IRON PIN SET;

THENCE SOUTH $05^{\circ} 55' 17''$ EAST, A DISTANCE OF 353.64 FEET, WITH THE LINE COMMON TO SAID 0.742 ACRE TRACT AND THE REMAINDER OF SAID ORIGINAL TRACT 1, TO AN IRON PIN SET AT A POINT OF CURVATURE;

THENCE WITH SAID CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF $17^{\circ} 44' 53''$, A RADIUS OF 1332.49 FEET, AN ARC LENGTH OF 412.75 FEET, AND A CHORD WHICH BEARS SOUTH $14^{\circ} 47' 43''$ EAST, A CHORD DISTANCE OF 411.10 FEET, WITH AN EASTERLY LINE OF SAID 0.742 AND 45.957 ACRE TRACTS AND A WESTERLY LINE OF THE REMAINDERS OF SAID ORIGINAL TRACT 1 AND ORIGINAL TRACT TWO, TO AN IRON PIN SET AT A POINT OF TANGENCY;

THENCE SOUTH $23^{\circ} 40' 10''$ EAST, A DISTANCE OF 353.83 FEET, WITH AN EASTERLY LINE OF SAID 45.957 AND 40.924 ACRE TRACTS, AND WITH A WESTERLY LINE OF THE REMAINDERS OF SAID ORIGINAL TRACT TWO AND ORIGINAL PARCEL TWO, TRACT TWO CONVEYED TO ANSMIL LIMITED PARTNERSHIP BY DEED OF RECORD IN OFFICIAL RECORDS 32225 G17 AND 32225 105, TO AN IRON PIN SET;

THENCE CONTINUING WITH THE LINE COMMON TO SAID 40.924 ACRE TRACT, THE REMAINDER OF SAID ORIGINAL PARCEL TWO, TRACT TWO AND THE REMAINDER OF THE ORIGINAL PARCEL TWO, TRACT THREE CONVEYED TO ANSMIL LIMITED PARTNERSHIP BY DEED OF RECORD IN OFFICIAL RECORDS 32225 G17 AND 32225 105, THE FOLLOWING COURSES AND DISTANCES:

SOUTH $01^{\circ} 52' 05''$ EAST, A DISTANCE OF 53.85 FEET, TO AN IRON PIN SET;

SOUTH $23^{\circ} 40' 10''$ EAST, A DISTANCE OF 105.00 FEET, TO AN IRON PIN SET;

SOUTH $45^{\circ} 28' 15''$ EAST, A DISTANCE OF 53.85 FEET, TO AN IRON PIN SET;

SOUTH $23^{\circ} 40' 10''$ EAST, A DISTANCE OF 514.24 FEET, TO AN IRON PIN SET AT A POINT OF CURVATURE;

WITH SAID CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF $08^{\circ} 02' 24''$, A RADIUS OF 1390.00 FEET, AN ARC LENGTH OF 195.05 FEET, AND A CHORD WHICH BEARS SOUTH $19^{\circ} 38' 58''$ EAST, A CHORD DISTANCE OF 194.89 FEET, TO AN IRON PIN SET;

SOUTH $74^{\circ} 22' 14''$ WEST, A DISTANCE OF 20.00 FEET, TO AN IRON PIN SET;

WITH A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF $01^{\circ} 02' 00''$, A RADIUS OF 1370.00 FEET, AN ARC LENGTH OF 24.71 FEET, AND A CHORD WHICH BEARS SOUTH $15^{\circ} 06' 46''$ EAST, A CHORD DISTANCE OF 24.71 FEET, TO AN IRON PIN SET;

SOUTH 76° 07' 35" WEST, A DISTANCE OF 82.51 FEET, TO AN IRON PIN SET;
SOUTH 70° 47' 24" WEST, A DISTANCE OF 286.15 FEET, TO AN IRON PIN SET;
SOUTH 68° 02' 13" WEST, A DISTANCE OF 159.38 FEET, TO AN IRON PIN SET;
SOUTH 82° 20' 53" WEST, A DISTANCE OF 300.01 FEET, TO AN IRON PIN SET;
SOUTH 76° 34' 35" WEST, A DISTANCE OF 307.14 FEET, TO AN IRON PIN SET;
SOUTH 82° 47' 36" WEST, A DISTANCE OF 138.56 FEET, TO AN IRON PIN SET;
NORTH 79° 56' 50" WEST, A DISTANCE OF 85.56 FEET, TO AN IRON PIN SET;
NORTH 71° 18' 50" WEST, A DISTANCE OF 150.01 FEET, TO AN IRON PIN SET;
NORTH 65° 38' 53" WEST, A DISTANCE OF 208.41 FEET, TO AN IRON PIN SET;
NORTH 57° 48' 25" WEST, A DISTANCE OF 129.32 FEET, TO AN IRON PIN SET;
NORTH 59° 01' 48" WEST, A DISTANCE OF 170.38 FEET, TO AN IRON PIN SET;
NORTH 67° 18' 16" WEST, A DISTANCE OF 57.59 FEET, TO AN IRON PIN SET;
NORTH 80° 44' 53" WEST, A DISTANCE OF 8.85 FEET, TO AN IRON PIN SET;
THENCE ACROSS SAID 40.924 AND 45.957 ACRE TRACTS, THE FOLLOWING
COURSES AND DISTANCES:

NORTH 02° 32' 02" EAST, A DISTANCE OF 270.04 FEET, TO AN IRON PIN SET AT A
POINT OF CURVATURE;

WITH SAID CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 26° 09' 10", A
RADIUS OF 600.00 FEET, AN ARC LENGTH OF 273.87 FEET, AND A CHORD WHICH
BEARS NORTH 10° 32' 33" WEST, A CHORD DISTANCE OF 271.50 FEET, TO AN IRON
PIN SET;

NORTH 23° 37' 07" WEST, A DISTANCE OF 682.05 FEET, TO THE TRUE POINT OF
BEGINNING, CONTAINING 77.019 ACRES, MORE OR LESS.

PARCEL 2:

SITUATED IN THE STATE OF OHIO, COUNTY OF FRANKLIN, CITY OF HILLIARD,
LYING IN VIRGINIA MILITARY SURVEY NUMBER 4854, VIRGINIA MILITARY
DISTRICT, BEING PART OF THE 45.957 ACRE TRACT CONVEYED TO COLUMBUS

CAMPUS LLC BY DEED OF RECORD IN INSTRUMENT NUMBER 200801170008509, (ALL REFERENCES REFER TO THE RECORDS OF THE RECORDER'S OFFICE, FRANKLIN COUNTY, OHIO), BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING, FOR REFERENCE, AT FRANKLIN GEODETIC SURVEY MONUMENT NUMBER 0005 RESET FOUND AT THE CENTERLINE INTERSECTION OF LEAP ROAD (VARIABLE WIDTH) AND DAVIDSON ROAD (VARIABLE WIDTH);

THENCE SOUTH $23^{\circ} 37' 07''$ EAST, A DISTANCE OF 614.75 FEET, WITH THE CENTERLINE OF SAID LEAP ROAD, TO A MAGNETIC NAIL SET AT THE COMMON CORNER OF SAID 45.957 ACRE TRACT AND THE REMAINDER OF THE ORIGINAL TRACT THREE AS CONVEYED TO WOLPERT ENTERPRISES, LIMITED BY DEED OF RECORD: IN INSTRUMENT NUMBER 200204080088414;

THENCE NORTH $84^{\circ} 08' 15''$ EAST, A DISTANCE OF 52.50 FEET, ACROSS THE RIGHT-OF-WAY OF SAID LEAP ROAD AND WITH THE LINE COMMON TO SAID 45.957 ACRE TRACT AND THE REMAINDER OF SAID ORIGINAL TRACT THREE, TO AN IRON PIN SET, THE TRUE POINT OF BEGINNING;

THENCE NORTH $84^{\circ} 08' 15''$ EAST, A DISTANCE OF 767.02 FEET, CONTINUING WITH SAID COMMON LINE, TO AN IRON PIN SET;

THENCE ACROSS SAID 45.957 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH $23^{\circ} 37' 07''$ EAST, A DISTANCE OF 384.33 FEET, TO AN IRON PIN SET ON A CURVE;

WITH SAID CURVE, TO THE RIGHT, HAVING A CENTRAL ANGLE OF $09^{\circ} 08' 20''$, A RADIUS OF 1099.00 FEET, AN ARC LENGTH OF 175.29 FEET, AND A CHORD BEARING SOUTH $60^{\circ} 37' 51''$ WEST, A CHORD DISTANCE OF 175.11 FEET, TO AN IRON PIN SET AT A POINT OF TANGENCY;

SOUTH $68^{\circ} 44' 53''$ WEST, A DISTANCE OF 556.74 FEET, TO AN IRON PIN SET;

NORTH $23^{\circ} 37' 07''$ WEST, A DISTANCE OF 612.80 FEET, TO THE TRUE POINT OF BEGINNING, CONTAINING 8.528 ACRES, MORE OR LESS.

PARCEL 1 AND PARCEL 2 BEING THE SAME PROPERTY CONVEYED, TO COLUMBUS CAMPUS, LLC BY GENERAL WARRANTY DEEDS IN INSTRUMENT NUMBER 200803120038096 AND INSTRUMENT NUMBER 200803120038094, RECORDER'S OFFICE, FRANKLIN COUNTY, OHIO.

EXHIBIT 6

GUARANTY AGREEMENT

This Guaranty Agreement (this "Guaranty") is made as of the 16th day of April, 2008, by and among ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company ("Guarantor"), and KEYBANK NATIONAL ASSOCIATION, a national banking association, in its capacity as Lead Arranger and Administrative Agent for the lenders (collectively, the "Lenders") who are a party from time to time to the Loan Agreement (hereinafter defined) (the "Administrative Agent", or when acting in its individual capacity, "KeyBank").

RECITALS

The Lenders have agreed to make a loan to Columbus Campus, LLC, a Maryland limited liability company (the "Borrower") in the aggregate principal amount at any time outstanding not to exceed Ninety Million and 00/100 Dollars (\$90,000,000.00) (the "Loan"), which Loan shall be evidenced by Revolving Loan Notes from the Borrower to the Lenders in the aggregate principal amount outstanding not to exceed Ninety Million and 00/100 Dollars (\$90,000,000.00) (together with all amendments, substitutions or replacements thereto, collectively, the "Notes"). The Loan shall be advanced by the Lenders pursuant to the terms and conditions of the Construction Loan Agreement of even date herewith by and among the Borrower, the Administrative Agent and the Lenders (together with all amendments thereto, the "Loan Agreement") to be used for the construction of a retirement community to be known as "Hickory Chase" (hereinafter referred to as "Hickory Chase" or the "Retirement Community") on certain land located at 4383 Davidson Road, Hilliard, Franklin County, Ohio 43026 (the "Land").

The Land has been leased by the Borrower to Hickory Chase, Inc., a Maryland nonstock corporation ("HC") pursuant to a Master Lease and Use Agreement dated approximately even date herewith. HC has entered into a Management and Marketing Agreement with Guarantor dated of approximately even date herewith, to provide management services for Hickory Chase.

The Lenders are willing to make the Loan available to the Borrower on the terms and conditions set forth in the Loan Agreement and other Loan Documents referred to therein, including the Notes (collectively, the "Loan Documents"), but only if the Guarantor guarantees repayment of the Loan and performance of all of the Borrower's obligations under the Loan Documents in accordance with the terms and conditions of this Guaranty Agreement.

The Guarantor is an affiliate of the Borrower and will benefit from the availability of the Loan to the Borrower and is willing to give the guaranty requested so as to induce the Lenders to make the Loan available to the Borrower.

AGREEMENTS

NOW THEREFORE, in consideration of these premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor gives the following guaranty of payment and of performance to the Lenders:

Section 1. Defined Terms. All capitalized terms used in this Guaranty without definition shall have the meanings ascribed to such terms in the Loan Agreement.

Section 2. Representations and Warranties of the Guarantor. The Guarantor represents and warrants that:

(a) It has reviewed all documents referred to herein or otherwise relating to the Loan Documents, and this Guaranty is its binding obligation and is fully enforceable against it in accordance with its terms;

(b) There are (i) no provisions of any existing mortgage, indenture, contract or agreement binding on the Guarantor or affecting its property (other than any such agreements with the Lenders), and (ii) to the Guarantor's knowledge no provision of law or order of court or of any administrative officer or administrative agency, binding upon the Guarantor or its property, which would conflict with or in any way prevent the execution, delivery or performance of the terms of this Guaranty or which would be in default or breached or violated (as applicable) as a result of such execution, delivery or performance;

(c) The financial information heretofore delivered to KeyBank or the other Lenders regarding the Guarantor is true and correct as of the date thereof; there has been no material adverse change in the financial position of the Guarantor since the date of such financial information and no such material adverse change is pending or threatened;

(d) There are no proceedings pending, or so far as the Guarantor knows, threatened, before any court or administrative agency or officer which will adversely affect the financial position of the Guarantor;

(e) The Guarantor is a limited liability company duly formed and validly existing in good standing under the laws of the State of Maryland;

(f) The Guarantor (i) has the necessary power, authority and legal right to own its property and carry on the business now being conducted by it and to enter into the transactions contemplated by this Guaranty and the other Loan Documents, (ii) has duly authorized the execution and delivery of this Guaranty and the other Loan Documents and the performance and observations of the terms, covenants, agreements and provisions hereof and thereof, and (iii) will at all times perform all acts necessary to maintain its legal existence and continue its authority to act in accordance with the representations in this paragraph; and

(g) All of the representations of the Guarantor and, to the best of the Guarantor's knowledge and belief, the representations of the Borrower, made in the course of obtaining the Loan from the Lenders and contained in the Loan Documents are true and correct and are not knowingly misleading and the Guarantor agrees to indemnify the Administrative Agent and the Lenders from any loss or expense as a result of a breach of the foregoing warranty.

Section 3. Guaranty. Subject to the terms of this Guaranty, the Guarantor hereby fully, absolutely, unconditionally and irrevocably guarantees to the Administrative Agent

and the Lenders all of the following obligations (collectively referred to as the "Guaranteed Obligations"):

(a) The full and prompt payment when due (not merely the collection) of all amounts due with respect to the Notes (including any Notes executed after the date hereof for portions of the Loan syndicated hereafter), and the observance and performance by the Borrower of all of the Borrower's obligations under the Loan Documents, including, but not limited to, the completion of the Project Improvements described in the Loan Agreement;

(b) The full and prompt payment (not merely the collection) of all present and future liabilities and obligations of the Borrower to the Administrative Agent or the Lenders of every kind and description (including all "Obligations", as defined in the Loan Agreement), now existing or hereafter owing, matured or unmatured, direct or indirect, absolute or contingent or joint or several and the observance and performance by the Borrower of all of the Borrower's obligations with respect to the foregoing;

(c) The payment of all expenses and charges (including all court costs and reasonable attorneys' fees) paid or incurred by the Administrative Agent and the Lenders in realizing upon any of the obligations guaranteed above or in enforcing any of the Loan Documents; and

(d) The performance of all obligations of the Borrower under the Loan Agreement and Loan Documents including, but not limited to, the indemnification obligations set out in the Loan Agreement.

Section 4. Nature of the Guaranty. The guaranty of the Guarantor hereunder shall be direct, immediate, and primary.

Section 5. The Administrative Agent and the Lenders Need Not Pursue Against Borrower, Any Guarantor, or Collateral. The Administrative Agent and the Lenders shall be under no obligation to pursue their rights against the Borrower or any other guarantor or pledgor, or against any collateral pledged by the Borrower or any other guarantor or pledgor, or under any mortgage, deed of trust, pledge agreement or any other instrument securing the Loan before pursuing the Lenders' rights against the Guarantor.

Section 6. Rights of the Administrative Agent and the Lenders to Deal with Borrower, Guarantor, and Collateral. The Administrative Agent and the Lenders may without compromising, impairing, or in any way releasing the Guarantor from its obligations hereunder and without obtaining the prior approval of the Guarantor at any time or from time to time (a) waive or excuse a default or defaults by the Borrower, the Guarantor or any other guarantor or pledgor; (b) grant extensions of time for payment or performance by the Borrower, the Guarantor or any other guarantor or pledgor; (c) release, substitute, or add collateral of the Borrower, the Guarantor or any other guarantor or pledgor; (d) release the Borrower, the Guarantor or any other guarantor or pledgor; or (e) modify, change or amend in any respect the Administrative Agent's or the Lenders' agreement with the Borrower, the Guarantor or any other guarantor or pledgor.

The Guarantor further agrees to all provisions of the Loan Agreement and Loan Documents which refer or relate to the Guarantor or which require its consent or joinder, as fully as if such provisions were set forth herein. Said provisions include, but are not limited to, Sections 8.3, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, 8.15 and 8.18 of the Loan Agreement.

Section 7. Waivers by the Guarantor. The Guarantor waives (a) presentment and demand for performance of any obligations relating to the Project to be performed by the Borrower, the Guarantor or any other guarantor or pledgor and (b) notice of default by the Borrower, the Guarantor or any other guarantor or pledgor.

Section 8. Liability of Guarantor Unaffected by Third Party Bankruptcy and Insolvency Proceeding. To the extent permitted by law, no modification, limitation or discharge of liability of the Borrower, the Guarantor or any other guarantor or pledgor under any of the Loan Documents arising out of, or by virtue of, any bankruptcy, arrangement, reorganization or similar proceedings for release of debtors under federal or state law shall affect the liability of the Guarantor hereunder in any manner whatsoever, and the Guarantor hereby waives all rights and benefits which might accrue to it by reason of any such proceedings.

Section 9. Covenants. The Guarantor hereby covenants and agrees:

(a) To comply with the terms of each and every provision of the Loan Documents which refers or relates to the Guarantor, including the obligation of the Guarantor, in conjunction with the Borrower, to provide to each of the Lenders the financial information described in Section 8.3 of the Loan Agreement, and to provide certain notices and information under Section 8.13 of the Loan Agreement prior to start-up of new retirement communities;

(b) Upon obtaining knowledge thereof, promptly to give notice in writing to the Administrative Agent of any litigation, pending or threatened, and of any proceeding before any governmental or regulatory agency or officer which might have a material, adverse effect on the financial position of the Guarantor (any suit or suits in which the amount in controversy is less than \$100,000 in the aggregate being hereby deemed not to be material);

(c) To pay and discharge, or cause to be paid or discharged, all taxes, assessments and governmental charges or levies imposed upon any of the properties of the Guarantor, all claims for labor, supplies, rent and any other obligations, prior to the date on which penalties attach thereto, and all lawful claims which, if unpaid, might become a lien or charge upon any such properties; provided, however, that the Guarantor shall not be required to pay or cause to be paid any such tax, assessment, charge, levy or claim so long as the Administrative Agent has been given notice of the intention of the Guarantor to institute any contest thereof and so long as, in the opinion of the Administrative Agent, (i) the payment is being diligently contested in good faith by appropriate proceedings, (ii) the security for the Guaranteed Obligations is not impaired and (iii) the Guarantor (as appropriate) has effectively stayed or prevented the sale of its properties;

(d) Except as permitted in the Loan Agreement, not to sell or otherwise dispose, or cause or allow any other person or entity to sell or otherwise dispose,

without prior written consent of the Administrative Agent and any consent of the Lenders required under the terms of the Loan Agreement, of any property or properties of the Guarantor except for sales or leases for a consideration approximately equal to fair market value or fair market rental or other fair and appropriate consideration; provided, however, that the Lenders shall not unreasonably withhold consent to any disposition that would not have a material adverse effect on the financial position of the Guarantor; and

(e) Except as permitted in the Loan Agreement, not to pay any income, bonuses, profits, salaries or fees to any of its partners or members or make any distribution of cash or property to any of its partners or members or to affiliates thereof (including other entities in which any of its partners or members owns an interest).

Section 10. Completion of Project Improvements. Upon the occurrence of an Event of Default and notice thereof to Borrower as may be provided in the Loan Agreement, the Administrative Agent may, in addition to any other remedies available to it and in its sole discretion, subject to the terms of the Loan Agreement, and the Guarantor hereby grants to the Administrative Agent and the Lenders the right to (i) enter upon the Land and complete the Project Improvements in accordance with the Plans and Specifications with such changes therein as the Administrative Agent may deem appropriate, and employ watchmen to protect the Property, (ii) at any time discontinue any work commenced in respect of the Project, (iii) assume any or all contracts covered by the Assignment of Project Documents or any other contracts made by Borrower or the Guarantor relating to the construction or equipping of the Project Improvements and take over and use all or any part of the labor, materials, supplies and equipment contracted for by Borrower or the Guarantor, (iv) engage builders, contractors, and others for the purpose of furnishing labor, materials and equipment in connection with the Project, and (v) pay, settle or compromise all bills or claims that may become liens against the Property. The Guarantor shall be liable to the Administrative Agent and the Lenders for all sums paid or incurred by it to construct and equip the Project Improvements whether the same shall be paid or incurred pursuant to the provisions of this Section 10 or otherwise, and all payments made or liabilities incurred by the Administrative Agent and the Lenders hereunder of any kind whatsoever shall be paid by the Guarantor to the Administrative Agent upon demand with interest at the rate provided in the Note. For the purpose of exercising the rights granted by this Section, the Guarantor hereby irrevocably constitutes and appoints the Administrative Agent its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of the Guarantor.

Section 11. Default. An Event of Default shall be deemed to have occurred under this Agreement upon the occurrence of any one or more of the following events: (a) the failure of the Guarantor to promptly pay or perform all or any part of the Guaranteed Obligations as specified in Section 3 of this Guaranty, (b) the entry of one or more judgments in excess of \$250,000 in the aggregate against the Guarantor and the failure to satisfy such judgment within thirty (30) days (either by payment or by the filing of a supersedeas bond) unless such judgments have been appealed in good faith and the legal effect of such appeals is to stay the obligation to satisfy such judgments until resolution of the appeals; (c) the Guarantor defaults in the performance or observance of the provisions of Section 9(d), 9(e) or 9(f) of this Agreement; (d) the Guarantor defaults in the performance or observance of any other agreement, covenant, or condition set forth in this Agreement, which default is not cured in full within a reasonable time

(but in no event to exceed thirty (30) days) after the Administrative Agent gives the Guarantor written notice thereof; provided, however, that the Administrative Agent may, in its sole discretion, extend the cure period for any default upon the reasonable request of the Guarantor, in the event that the default cannot be cured within the time set forth in this Agreement and the Guarantor is diligently pursuing cure of the default; or (e) the occurrence of any default or Default under any of the Loan Documents, and the expiration of any applicable grace or cure period with respect thereto, or the occurrence of any Event of Default under any of the other Loan Documents.

Section 12. Confession of Judgment; Jurisdiction and Venue. At any time following an Event of Default hereunder, the Guarantor authorizes any attorney admitted to practice before any court of record in the United States or any clerk of any court of record to appear for it and confess judgment on behalf of the Guarantor against the Guarantor in favor of the Lenders, in the full amount of the outstanding Loan, plus attorneys' fees of ten percent (10%) of such amount up to a maximum for attorneys' fees of Three Hundred Thousand Dollars (\$300,000) (but this provision shall not limit the obligation of the Guarantor to pay all attorneys' fees incurred by the Administrative Agent and the Lenders).

The Administrative Agent and the Lenders agree that in attempting to satisfy or enforce any judgment by confession obtained against the Guarantor in connection with this Guaranty, the Administrative Agent and the Lenders shall not seek or demand, solely with respect to attorneys' fees incurred by them in connection with this Guaranty, any amounts in excess of the actual amount of reasonable attorneys' fees charged to the Administrative Agent and the Lenders. The Lenders agree not to sell or assign any judgment obtained pursuant to this Section 12 unless the assignee agrees to be bound by the provisions of the immediately preceding sentence. The Guarantor agrees that venue shall be proper in any County of the State of Ohio, or in the United States District Court for the Southern District of Ohio, Eastern Division, in addition to any other court where venue may be proper. The Guarantor waives and releases, to the extent permitted by law, all errors and all rights of exemption, appeal, stay of execution, inquisition and extension upon any levy on real estate or personal property to which the Guarantor may otherwise be entitled under the laws of the United States of America or of any State or Possession of the United States of America now in force or which may hereafter be passed, as well as the benefit of any and every statute, ordinance, or rule of court which may be lawfully waived conferring upon the Guarantor any right or privilege of exemption, stay of execution, or supplementary proceedings, or other relief from the enforcement or immediate enforcement of a judgment or related proceedings on a judgment; provided however, that the foregoing waiver does not extend to the Guarantor's rights (if any) under applicable Ohio rules to file a motion to open, vacate or modify a judgment by confession in good faith and within the timeframes permitted by such rules, which rights the Guarantor does not waive. The authority and power to appear for and enter judgment against the Guarantor shall be exercisable concurrently in one or more jurisdictions and shall not be exhausted or extinguished by one or more exercises thereof, or by any imperfect exercise thereof or by any judgment entered pursuant thereto. Such authority and power may be exercised on one or more occasions, from time to time, in the same or different jurisdictions, as often as the Administrative Agent on behalf of the Lenders shall deem necessary or desirable.

Section 13. Other Remedies. At any time following an Event of Default, the Administrative Agent shall also be authorized to bring an action against the Guarantor for all amounts owing in connection with the Loan, and to pursue any other rights and remedies provided in the Loan Documents upon the occurrence of any Default or Event of Default, or otherwise available under applicable laws.

Section 14. WAIVER OF JURY TRIAL. THE GUARANTOR, AND THE ADMINISTRATIVE AGENT AND THE LENDERS BY THE ACCEPTANCE OF THIS AGREEMENT BY THE GUARANTOR, HEREBY WAIVES ALL RIGHTS TO A JURY IN ANY ACTION, COUNTERCLAIM, OR PROCEEDING BASED UPON, OR RELATED TO, THIS AGREEMENT OR ANY OF THE LOAN DOCUMENTS. THIS WAIVER APPLIES TO ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS AND PROCEEDINGS, INCLUDING PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY THE GUARANTOR, WHO ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE EXECUTION OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. THE GUARANTOR FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTOOD THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION.

Section 15. Expenses of Collection. Should this Guaranty or any claim hereunder be referred to an attorney for enforcement, whether or not suit is filed, the Guarantor shall pay all of the Administrative Agent's and Lenders' actual costs, fees (including reasonable attorneys' fees) and expenses resulting from such referral.

Section 16. Binding Nature. This Guaranty shall inure to the benefit of and be enforceable by the Administrative Agent and the Lenders and their respective successors and assigns, and shall be binding upon and enforceable against the Guarantor and the Guarantor's successors and assigns.

Section 17. Assignment; Termination of Guaranty. This Guaranty may not be assigned by the Lenders except in accordance with the terms of the Loan Agreement. This Guaranty shall terminate upon the performance by the Borrower and the Guarantor of all obligations to the Administrative Agent and the Lenders under the Loan Documents and the indefeasible repayment in full of all sums due the Administrative Agent and the Lenders, whether principal, interest, fees, charges, assessments, or otherwise.

Section 18. Restrictions on Becoming a Creditor of the Borrower. The Guarantor hereby waives any claim, as that term is defined in the United States Bankruptcy Code, which the Guarantor might now have or might hereafter acquire against the Borrower, including, but not limited to, claims arising by way of subrogation, reimbursement, indemnity, exoneration, contribution, extensions of credit or equity contributions, it being the intent of the parties that the Guarantor shall not be a creditor of the Borrower under the United States Bankruptcy Code.

Section 19. Notices. All notices required or permitted hereunder shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, to the following addresses:

If to the Guarantor:

c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: Chief Financial Officer

with a copy to (which shall not constitute notice) to:

General Counsel
Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228

If to the Administrative Agent:

c/o KeyBank National Association
127 Public Square
Cleveland, Ohio 44114
Attention: Charles J. Shoop,
Senior Vice President

with a copy (which shall not constitute notice) to:

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, Suite 1800
Baltimore, Maryland 21202

Any party may change the address to which notices are to be sent by a writing directed to the other party in the manner aforesaid. Unless otherwise specifically provided, all notices hereunder delivered personally shall be deemed delivered upon such personal delivery, and all notices hereunder given by mail, as aforesaid, shall be deemed delivered five (5) days after deposited in a United States Post Office, general or branch, or an official mail depository, maintained by the U.S. Postal Service, enclosed in a registered or certified prepaid wrapper addressed as above provided. Notice of change of address shall be deemed served when received.

Section 20. Waiver. No waiver of any power, privilege, right or remedy (hereinafter collectively referred to as "Rights") hereunder shall be effective unless in writing. No delay on the part of the Administrative Agent or any Lender in exercising any Rights hereunder, or under any other instrument executed by the Borrower or any other person in connection with the transaction (including the Loan Documents) shall operate as a waiver

thereof, and no single or partial exercise of any such Rights shall preclude other or further exercise thereof, or the exercise of any other Rights. Waiver by the Administrative Agent or any Lender of any default by the Borrower, the Guarantor or any other person shall not constitute a waiver of any subsequent defaults, but shall be restricted to the default so waived. If any provision or part of any provision of this Guaranty shall be contrary to any law which the Administrative Agent or any Lender might seek to apply or enforce, or should otherwise be defective, the other provisions, or parts of such provisions, of this Guaranty shall not be affected thereby, but shall continue in full force and effect. All Rights of the Administrative Agent and the Lenders hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all Rights given hereunder or in or by any other instruments or any laws now existing or hereafter enacted.

Section 21. Choice of Law. This Guaranty and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Ohio (excluding principles of conflicts of law), both in interpretation and performance.

Section 22. Tense, Gender, Captions. As used herein, the plural shall refer to and include the singular, and the singular, the plural and the use of any gender shall include and refer to any other gender as the context may require. All captions are solely for the purpose of convenience.

Section 23. Terms of Documents. The Guarantor has read the Loan Agreement and other Loan Documents and fully understands the terms thereof and the extent of its obligations in guaranteeing the payment of the Loan and the completion of the Project free and clear of all liens as described in Section 3 of this Guaranty.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Guarantor has hereunto set its hand and seal as of the day and year first above written.

WITNESS:

GUARANTOR:

ERICKSON RETIREMENT COMMUNITIES, LLC

Cathy M. Thompson

By:

Gerald F. Doherty,
Executive Vice President

(SEAL)

B. Gale Heaney
Paralegal
gheaney@porterwright.com

Porter Wright
Morris & Arthur LLP
41 South High Street
Suites 2800-3200
Columbus, Ohio 43215-6194

Direct: 614-227-2065
Fax: 614-227-2100
Toll free: 800-533-2794
www.porterwright.com

porterwright

CINCINNATI
CLEVELAND
COLUMBUS
DAYTON
NAPLES
WASHINGTON, DC

RECEIVED

FEB 24 2010

BMC GROUP

February 23, 2010

VIA OVERNIGHT DELIVERY

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

Re: Columbus Campus, LLC. Case No. 09-37019-11

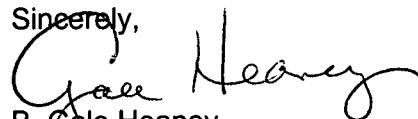
Dear Sirs:

Enclosed please find six (6) Proofs of Claims and a copy of each, which we would like filed in the above matter on behalf of the following creditors:

1. KeyBank National Association
2. Fifth Third Bank
3. Hillcrest Bank
4. Wilmington Trust FSB
5. Arvest Bank successor to Solutions Bank; and
6. First Commonwealth Bank

Please file the claims in the appropriate records of your office and return time stamped or received copies to the undersigned in the envelope provided. If you should have any questions, please contact me at 1-800-577-2319.

Sincerely,


B. Gale Heaney
BGH:bgh

Enclosures

CC: Jack R. Pigman, Esq.
Andrew S. Nicoll, Esq.