UNITED STATES BANKRUPTCY COURT Northern District of Texas		PROOF OF CLAIM
Name of Debtor: ERICKSON RETIREMENT COMMUNITIES, LLC	Case Number: 09-37010	
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of administrative expense may be filed pursuant to 11 U.S.C. § 503.	f the case. A r	equest for payment of an
Name of Creditor (the person or other entity to whom the debtor owes money or property): PNC Bank, National Association, Successor To Mercantile-Safe Deposit and Trust Company  Name and address where notices should be sent: PNC Bank, National Association, Mail Stop: C3-CA01-19-1 Two Hopkins Plaza, 19th Floor, Baltimore, MD 21201	claim am claim.	is box to indicate that this ends a previously filed  n Number:
Attn: Wendy Andrus, Vice President Telephone number: (410) 237-5923  BMC GROUP	Filed on:	
Name and address where payment should be sent (if different from above): PNC Bank, National Association Mail Stop: C3-CA01-19-1, Two Hopkins Plaza, 19th Floor, Baltimore, MD 21201 Attn: Wendy Andrus, Vice President	anyone e relating t	is box if you are aware that lse has filed a proof of claim o your claim. Attach copy of t giving particulars.
Telephone number: (410) 237-5923		is box if you are the debtor in this case.
1. Amount of Claim as of Date Case Filed:  \$\frac{11,250,538.88**}{}\$  If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.  If all or part of your claim is entitled to priority, complete item 5.  Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized	Priority any port one of the check the amount.	of Claim Entitled to under 11 U.S.C. §507(a). If tion of your claim falls in the following categories, the box and state the priority of the claim.
statement of interest or charges.  2. Basis for Claim: Letters of Credit See Attached	☐ Domestic	support obligations under . §507(a)(1)(A) or (a)(1)(B).
(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:  Real Estate  Motor Vehicle  Other Describe: SEE ATTACHED  Value of Propertys  TBD  Annual Interest Rate  See attached  Amount of arrearage and other charges as of time case filed included in secured claim, if any: SEE ATTACHED  Basis for perfection:  SEE ATTACHED  Amount of Secured Claim: 11.250.538.88  Amount Unsecured: puls interest, attorneys' fees, late charges and fees continuing to accrue  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.) SEE ATTACHED DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.  If the documents are not available, please explain:	□ Wages, s to \$10,90 before fi petition of business U.S.C. § □ Contribute plan − 11 □ Up to \$2, purchase or service househol (a)(7). □ Taxes or governme (a)(8). □ Other − S of 11 U.S Amounts at 41/10 and e	salaries, or commissions (up 50*) carned within 180 days ling of the bankruptcy or cessation of the debtor's whichever is earlier – 11 507 (a)(4).  tions to an employee benefit U.S.C. §507 (a)(5).  425* of deposits toward lease, or rental of property so for personal, family, or duse – 11 U.S.C. §507  penalties owed to ental units – 11 U.S.C. §507  specify applicable paragraph S.C. §507 (a)().  Intentitled to priority:  **re subject to adjustment on every 3 years thereafter with lases commenced on or after
Date:  2-23-10  Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the contemporary of the person authorized to file this claim and state address and telephone number if different from the address above. Attach copy of power of attorney, if any.  PNC BANK, NATIONAL ASSOCIATION, SUCCESSOR TO MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY  By: Wendy Andrus, Vice President  Were Market and the person filing this claim must sign it. Sign and print name and title, if any, of the contemporary of the contemp		on Ret. Comm. LLC

#### RIDER TO PROOF OF CLAIM

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

Erickson Retirement Communities, LLC ("Debtor") is indebted to PNC Bank, National Association, successor to Mercantile-Safe Deposit and Trust Company ("Bank"), under and in connection with a commercial credit facility providing for issuance of letters of credit (collectively, "LC Facility") that the Bank extended to the Debtor, as evidenced by, inter alia, the irrevocable letters of credit listed below issued for the account of the Debtor by the Bank (each a "Letter of Credit" and, collectively, "Letters of Credit"), issued pursuant to Applications for Irrevocable Letter of Credit by the Debtor to the Bank (each an "LC Application" and, collectively, "LC Applications") and further evidenced and secured pursuant to Indemnification Agreements by the Debtor to and for the benefit of the Bank (each an "Indemnification Agreement" and, collectively, "Indemnification Agreements") and other documents described below (all of such documents, together with the Letters of Credit, LC Applications, and Indemnification Agreements, collectively, "LC Documents"). Pursuant to the Debtor's Amended Motion for Order Authorizing the Debtors to Continue Their Liability and Other Insurance Programs and To Enter Into Financing Agreements Related Thereto, entered on or about January 6, 2010 [Docket no. 759] ("Order"), the Letters of Credit are collateralized by Certificates of Deposit held by the Bank on which the Bank has a first priority lien ("Certificates of Deposit") as well as additional Certificates of Deposit identified therein, including without limitation the Certificates of Deposit identified on Exhibit A to the Order.

- 1. Letter of Credit No. 18106086-00-000, formerly No. 8083, issued November 14, 2005, in the stated amount of \$500,000.00 in favor of United Healthcare Services Inc., as amended from time to time, evidenced and secured pursuant to the Indemnification Agreement dated as of October 3, 2005 by all existing and future deposit accounts of the Debtor with the Bank and all property and securities at any time delivered to, or in the possession of the Bank, and all products and proceeds thereof, including but not limited to Certificate of Deposit No. (xxxxxxx7058) in an amount of at least \$506,686.35;
- 2. Letter of Credit No. 18106388-00-000, formerly No. 8106, issued January 11, 2006, in the stated amount of \$3,000,000.00 in favor of Continental Casualty Company, as amended from time to time, evidenced and secured pursuant to the Indemnification Agreement dated as of October 25, 2004 by all existing and future deposit accounts of the Debtor with the Bank and all property and securities at any time delivered to, or in the possession of the Bank, and all products and proceeds thereof, including but not limited to Certificate of Deposit No. (xxxxxxx0742) in an amount of at least \$3,087,643.50;
- 3. Letter of Credit No. 18106392-00-000, formerly No. 8119, issued February 6, 2006, in the stated amount of \$1,875,000.00 in favor of Zurich American Insurance Company, as amended from time to time, issued pursuant to the Application for Irrevocable Letter of Credit dated January 30, 2006, evidenced and secured pursuant to the Indemnification Agreement dated as of January 30, 2006 by all existing and future deposit accounts of the Debtor with the Bank and all property and securities at any time delivered to, or in the possession of the Bank, and all products and proceeds thereof, including but not limited to Certificate of Deposit No. (xxxxxxx6030) in an

- amount of at least \$1,875,000.00, and pursuant to the Assignments of Savings Account, Money Market Account or Certificate of Deposit dated as of May 21, 2007 and January 30, 2006 (collectively, "Assignment Agreements");
- 4. Letter of Credit No. 18106690-00-000, formerly No. 8296, issued March 10, 2003, in the stated amount of \$220,000.00 in favor of Pennsylvania Manufacturers Association Insurance Company, as amended from time to time, issued pursuant to the Application for Irrevocable Letter of Credit dated January 30, 2006, evidenced and secured pursuant to various Indemnification Agreements executed from time to time by the Debtor for the benefit of the Bank by all existing and future deposit accounts of the Debtor with the Bank and all property and securities at any time delivered to, or in the possession of the Bank, and all products and proceeds thereof, including, but not limited to, Certificate of Deposit No. (xxxxxx6111) in an amount of at least \$220,000.00:
- 5. Letter of Credit No. 18107082-00-000, formerly No. 8783, issued October 6, 2004, in the stated amount of \$1,500,000.00 in favor of Continental Casualty Company, as amended from time to time, evidenced and secured pursuant to the Indemnification Agreement dated as of October 25, 2004 by all existing and future deposit accounts of the Debtor with the Bank and all property and securities at any time delivered to, or in the possession of the Bank, and all products and proceeds thereof, including but not limited to Certificate of Deposit No. (xxxxxxxx3111) in an amount of at least \$1,500,000.00;
- 6. Letter of Credit No. 18107083-00-000, formerly No. 8785, issued October 6, 2004, in the stated amount of \$1,000,000.00 in favor of Zurich American Insurance Company, as amended from time to time, evidenced and secured pursuant to the Indemnification Agreement dated as of October 25, 2004 by all existing and future deposit accounts of the Debtor with the Bank and all property and securities at any time delivered to, or in the possession of the Bank, and all products and proceeds thereof, including but not limited to Certificate of Deposit No. (xxxxxxx6209) in an amount of at least \$1,088,466.53;
- 7. Letter of Credit No. 18107421-00-000, formerly No. 8847, issued March 22, 2005, in the stated amount of \$1,250,000.00 in favor of Zurich American Insurance Company, as amended from time to time, evidenced and secured pursuant to the Indemnification Agreement dated as of January 21, 2005 by all existing and future deposit accounts of the Debtor with the Bank and all property and securities at any time delivered to, or in the possession of the Bank, and all products and proceeds thereof, including but not limited to Certificate of Deposit No. (xxxxxxx3068) in an amount of at least \$1,287,531.44; and
- 8. Letter of Credit No. 18108167-00-000, issued October 30, 2007, in the stated amount of \$1,875,000.00 in favor of Zurich American Insurance Company, as amended from time to time, secured by all existing and future deposit accounts of the Debtor with the Bank and all property and securities at any time delivered to, or in the possession of the Bank, and all products and proceeds thereof, including but not limited to Certificate of Deposit No. (xxxxxxx1887) in an amount of at least \$1,875,000.00.

Without limitation of the foregoing, under the terms of the Indemnification Agreements, the Assignment Agreements described above, and the Order, all of the indebtedness and obligations that are owed to the Bank by the Debtor under and in connection with the LC

Facility and the Letters of Credit are cross-collateralized by the security interests, pledges, and liens set forth in such various Indemnification Agreements, Assignment Agreements, and in the Order.

True and correct copies of the Letters of Credit and the other LC Documents are attached hereto as Exhibits 1 - 8 corresponding to items 1 - 8 listed above. A copy of the Order is attached hereto as Exhibit 9.

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

Principal:	\$11	\$11,220,000.00	
Letter of credit fees:	\$	30,233.88	
Letter of credit issuance fees:	\$	125.00	
Legal fees and expenses			
(Counsel for Bank):	\$		
Other fees and charges:	\$		
Total (as of Petition Date):	\$11	.250.358.88	

LC Number	<u>Face Value of LC</u>	<u>Per Dien</u>
18106086	\$500,000.00	\$13.89
18106388	\$3,000,000.00	\$83.33
18106392	\$1,875,000.00	\$52.08
18106690	\$220,000.00	\$ 6.11
18107082	\$1,500,000.00	\$41.67
18107083	\$1,000,000.00	\$41.67
18107421	\$1,250,000.00	\$34.72
18108167	\$1,875,000.00	\$52.08

As of December 31, 2009, additional amounts owed to the Bank, exclusive of attorneys' fees and expenses, under LC Documents, were not less than the following:

Letter of Credit Fees:	\$ 21,007.21
Letter of Credit Issuance Fees:	\$ 100.00
Legal fees and expenses	
(Counsel for Bank):	\$ 

Total (10/19/09 - 12/31/09):  $\underline{\$ 21,107,21}$ 

(Per diem letter of credit fees are as set forth above)

In addition to the foregoing amounts, the Bank reserves the right to collect as part of its respective claim against the Debtor, in accordance with the terms of the LC Documents and applicable law, (i) all post-petition interest and late charges that accrue under the LC Documents after the Petition Date, and (ii) all pre-petition and post-petition attorneys' fees and expenses that

the Bank has incurred and hereafter incurs as a result of the filing of this bankruptcy case, the defaults existing under the LC Documents and the enforcement of rights and remedies of the Bank under the LC Documents, including but not limited to continuing interest, reasonable fees, costs and charges pursuant to 11 U.S.C. § 506(b).

The Bank reserves the right to periodically supplement and/or amend this Proof of Claim from time to time and to assert an unsecured claim in this bankruptcy case to the extent that the value of the Collateral is insufficient to satisfy the Bank's claims against the Debtor under the LC Documents. The Bank also reserves the right to amend and/or supplement this Proof of Claim in all other respects and to add additional claims of any nature whatsoever, including but not limited to claims entitled to administrative priority.

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

## EXHIBIT 1

PNC Bank, National Association
Trade Service Operations
3rd Floor
500 First Avenue
Pittsburgh, PA 15219
Mail Stop: P7-PFSC-03-T

• • • • • •

Swift: PNCCUS33 .-T-Iaphone: 1-800-682-4689

**OPNCBANK** 

DATE: OCTOBER 07, 2008

UNITED HEALTHCARE SERVICES INC ATTENTION: ED STUEVE SEE BELOW FOR DETAILS 9900 BREN ROAD EAST MINNETONKA, MN 55434

#### NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:
TRANSACTION NUMBER:

18106086-00-000

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106086-00-000 HAS BEEN EXTENDED TO NOVEMBER 14, 2009.

THIS IS NOT TO BE CONSIDERED AS AN AMENDMENT TO THE LETTER OF CREDIT.
THIS IS FOR INFORMATION PURPOSES ONLY.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

Value of bend

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue

Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33

Telephone: 1-800-682-4689

**©PNCBANK** 

DATE: SEPTEMBER 17, 2007

UNITED HEALTHCARE SERVICES INC ATTENTION: ED STUEVE SEE BELOW FOR DETAILS

9900 BREN ROAD EAST MINNETONKA, MN 55434

#### AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:

18106086-00-000

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

AMOUNT:

USD \$500,000.00

EXPIRY DATE:

NOVEMBER 14, 2008

EXPIRY PLACE:

BALTIMORE, MARYLAND

WE HEREBY AMEND IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 8038 AS FOLLOWS:

BENEFICIARY FULL NAME AND ADDRESS:

UNITED HEALTHCARE SERVICES, INC. D/B/A EVERCARE AND UNITED HEALTHCARE INSURANCE COMPANY 900 BREN ROAD EAST MINNETONKA, MN 55434 ATTN: ED STUEVE

THE ISSUING BANK IS NOW TO READ PNC BANK, NATIONAL ASSOCIATION.

THIS LETTER OF CREDIT IS NOW AVAILABLE FOR PAYMENT AT THE COUNTERS OF PNC BANK, NATIONAL ASSOCIATION, TWO HOPKINS PLAZA, 5TH FLOOR, BALTIMORE, MD 21201.

THE LETTER OF CREDIT NUMBER IS NOW TO READ 18106086-00-000.

DRAFTS, IF REQUIRED BY THE EXISTING TERMS OF THE LETTER OF CREDIT, MUST NOW BE DRAWN ON PNC BANK, NATIONAL ASSOCIATION, BALTIMORE, MD AND REFERENCE OUR LETTER OF CREDIT NO. 18106086-00-000

Page 1 of 3

18106086-00-000

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33

Telephone: 1-800-682-4689



ALL REFERENCES IN THE LETTER OF CREDIT TO THE ISSUING BANK SHOULD NOW READ PNC BANK, NATIONAL ASSOCIATION.

ALL REFERENCES IN THE LETTER OF CREDIT TO THE LETTER OF CREDIT NUMBER SHOULD NOW READ 18106086-00-000.

PLEASE ADDRESS ALL CORRESPONDENCE TO PNC BANK, NATIONAL ASSOCIATION, TWO HOPKINS PLAZA, 5TH FLOOR, BALTIMORE, MD 21201 TO THE ATTENTION OF NORMA BANKS, PHONE NUMBER 410-237-5305.

PLEASE SIGNIFY YOUR CONSENT TO THIS AMENDMENT BY SIGNING THE ATTACHED COPY OF THIS AMENDMENT AND RETURNING THE SAME DIRECTLY TO US BY MAIL TO OUR ADDRESS AT 500 FIRST AVENUE, 3RD FLOOR, P7-PFSC-03-T, PITTSBURGH, PA 15219. YOUR IMMEDIATE ATTENTION TO THIS MATTER IS REQUIRED IN ORDER THAT WE MAY COMPLETE OUR RECORDS.

ALL OTHER CONDITIONS REMAIN UNCHANGED.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T

Swift: PNCCUS33 Telephone: 1-800-682-4689



IN REFERENCE TO 18106086-00-000	D AMENDMENT UNDER OU )	R LETTER OF CREDI	r number
WE HEREBY	CONSENT TO THE TER	MS AND CONDITIONS	OF THIS AMENDMENT.
WE DO NOT	CONSENT TO THE TER	MS AND CONDITIONS	OF THIS AMENDMENT.
WE FURTHER CERT	TIFY THAT THE UNDERS	SIGNED IS AUTHORIZE	ED TO EXECUTE THIS
UNITED HEALTHCA	ARE SERVICES INC		
BY:			
DATE:			

Page 3 of 3

18106086-00-000



18106086

### IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8038

BENEFICIARY:

DATE:

November 14, 2005

United HealthCare Services, Inc. D/B/A Evercare and United Healthcare

EXPIRATION: November 14, 2006

Insurance Company 9900 Bren Road East Minnetonka, MN 55434

AMOUNT:

US\$500,000.00

Attn: Ed Stueve

Aun. Du Stueve

#### Gentlemen:

This letter of credit is available for payment upon presentation by Registered Mail or an Overnight Courier Service to our office at Two Hopkins Plaza, 5<sup>th</sup> Floor, Baltimore, Maryland, 21201, Attn: International Department of your sight draft on us when accompanied by the original Letter of Credit and the following document(s):

A statement purportedly signed and dated by an authorized signor of the United HealthCare Services, Inc., reading as follows:

"We hereby certify that Erickson Retirement Communities, LLC ("Erickson") cannot satisfy, from operating funds, any Penalty Payment, as defined in the Definitive Agreement ARTICLE XV COMPENSATION, Sections 15.1, and 15.3 through 1517, effective October 1, 2005, by and among Erickson, United HealthCare Services, Inc., d/b/a Evercare ("Evercare") and United HealthCare Insurance Company ("UHIC")." Such Penalty Payment shall have been agreed upon by Erickson, Evercare, and UHIC prior to the redemption of this letter of credit.

The face amount of this Letter of Credit shall not be reduced by the amount of any drawing paid hereunder. Your draft presented must bear the clause "Drawn under Mercantile-Safe Deposit and Trust Company Irrevocable Standby Letter of Credit No. 8038 dated October 24, 2005".

This Letter of Credit shall automatically renew for one-year period(s) from the Expiration Date or any future Expiration Date, unless (30) days prior to such Expiration Date Mercantile-Safe Deposit and Trust Company notifies you in writing by registered or certified mail that this Letter of Credit will not be renewed for any such additional period.

The term "Beneficiary" includes any successor by operation of law of the named Beneficiary including, without limitation, any liquidator, rehabilitator, receiver or conservator.

This Letter of Credit sets forth in full the terms of our undertaking and such undertaking shall not in any way be modified, amended, or amplified by reference to any documents, instruments or agreements

### MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

18106086

L/C 8038 Page 2

referred to herein or in which this Irrevocable Stand-by Letter of Credit relates and any such reference shall not be deemed to incorporate herein by reference any documents, instruments or agreements.

We hereby agree with the drawers, endorsers, and bona fide holders of drafts drawn under and in compliance with the terms of this credit that such drafts will be duly honored upon presentation to the drawee at Two Hopkins Plaza, 5<sup>th</sup> Floor, Baltimore, MD 21201, Attn: International Department. The obligation of Mercantile-Safe Deposit and Trust Company under this Letter of Credit is the individual obligation of Mercantile-Safe Deposit and Trust Company and is in no way contingent upon reimbursement with respect thereto.

Drafts must clearly specify the number of this Letter of Credit and be presented via registered mail or overnight courier service not later than the initial or subsequent expiration dates at the following address

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY TWO HOKINS PLAZA, 5<sup>th</sup> FLOOR BALTIMORE, MD 21201 ATTN: INTERNATIONAL DEPARTMENT

This credit is issued subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication NO. 500 (including all amendments and revisions thereof, the "UCP"). If this Letter of Credit expires during an interruption of business as described in Article 17 of said Publication 500, Mercantile-Safe Deposit and Trust Company hereby specifically agrees to effect payment if this Letter of Credit is drawn against within 30 days after the resumption of business.

We engage with you that draft(s) drawn under and in compliance with the terms of this Letter of Credit will be duly honored.

#### MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By:_	Burbara & Wallace	
	Barbara R. Wallace, Senior Vice President	
Ву:	DH Worlen	
	D.S. Woelper, Assistant Vice President	



## MERCAN? E-SAFE DEPOSIT & TRUST OMPANY / 8/060 86 BALTIMORE, MARYLAND 21201

In consideration of your issuance of Irrevocable Clean Letter of Credit ("Credit") No. 305 Medicare for \$500,000.00 , in favor of United Heathhcare Services, Inc. DIBIA Fivercare and United Heathhcare Tusurance Companyation Petirement Communities, Luc And as security for any and all obligations and/or liabilities of the undersigned, we hereby pledge, assign and grant a security interest to THE ABOVE NAMED BANK in the following property:

Certificate of Deposit

and all property listed on the attached schedule, which property, together with all additions, substitutions and proceeds

#### WE, JOINTLY AND SEVERALLY, HEREBY AGREE,

hereinafter shall be referred to as "collateral", and

- 1. To indemnify and save you harmless from any and all loss, liability or expense arising from or in connection with the Credit;
- 2. To reimburse you on your demand the equivalent of any and all drafts that may be drawn under it;
- 3. To pay you, on demand, your commission at such rate as you determine to be proper and, in any event, a minimum commission, together with all expenses and charges (including charges for legal services) paid or incurred by you in connection with the Credit or any draft accepted by you.
- 4. As security for the payment, performance and discharge of any and all of our obligations and liabilities to you, direct or indirect, absolute or contingent, due or not due, now existing or hereafter arising, we hereby pledge to you, and/or give to you a lien upon, and/or right of set-off against, all deposit balances now or hereafter arising in any of our accounts, and all property and securities of every kind and nature which have been or at any time shall be delivered to or otherwise come into your possession, custody or control for any purpose whatever, whether or not for the express purpose of being used by you as collateral security or for safekeeping or for any other or different purpose, or which shall be in transit to you or set apart for you, or anyone for you, in any way, by us or for our account, or in which we may have any interest, whether you shall accept the same for the purpose for which delivered or not, and any and all proceeds of said property and securities and every part thereof; with the right to you, in your discretion, to resort first to any part of said security.

The Undersigned shall pay and be jointly and severally liable to the Bank for all reasonable expenses, including attorneys' fees, incident to the enforcement of any of the provisions of the Credit and all such expenses shall be added to and be made a part of the principal amount due pursuant to this Credit.

This agreement shall be binding upon us, our successors, transferees and assigns, and shall inure to the benefit of, and be enforceable by, you and your respective successors, transferees and assigns. You may assign or transfer this agreement and give all or any of the property held as security therefor to the transferee, who shall thereupon become vested with all the powers and rights in respect thereto, given you herein, and you shall thereafter be forever released and fully discharged from any liability or responsibility with respect thereto.

A copy of said Letter of Credit is attached hereto and we hereby confirm and agree to the terms and conditions thereof.

This Indemnification Agreement shall be construed in accordance with the Laws of the State of Maryland.

CORPORATIONS OR PARTNERSHIPS SIGN BELOW	INDIVIDUALS SIGN BELOW	
Erickson Retirement Community	res, alc	AL
Name of Corporation or Partnership		
Ву	(SE	AL
ву	(SE	ΔL
1 D. 445020144900		

PNC Bank, National Association Trade Service Operations 500 First Avenue - 3rd Floor Pittsburgh, PA 15219 Mail stop: P7-PFSC-03-T

Customer Service: 1-800-682-4689 SWIFT Address: PNCCUS33



DATE: DECEMBER 31, 2009

ERICKOSN RETIREMENT COMMUNITIES MAIL STOP 101 P.O. BOX 22000 CATONSVILLE, MD 21228

#### ACCOUNTS RECEIVABLE ADVICE

OUR REFERENCE:

18106086-00-000

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

BENEFICIARY:

UNITED HEALTHCARE SERVICES INC

THE FOLLOWING FEES ARE NOW DUE:

STANDBY COMMISSION

BILLING PERIOD: DAYS BASIS AMOUNT 10/01/2009 12/31/2009 92

500,000.00

RATE 1.00% FEE AMOUNT

1,277.78

\_\_\_\_\_

\$1,277.78

TOTAL AMOUNT DUE:

\$1,277.78

PLEASE SEND YOUR REMITTANCE BY CHECK PAYABLE TO PNC BANK, NATIONAL ASSOCIATION, INCLUDING OUR REFERENCE NUMBER AS IT APPEARS ABOVE. PLEASE ATTACH A COPY OF THIS ADVICE TO YOUR REMITTANCE AND FORWARD IT

PNC BANK NATIONAL ASSOCIATION 500 FIRST AVENUE TRADE SERVICE OPERATIONS, 3RD FLOOR PITTSBURGH, PA 15219

OR

SETTLEMENT CAN BE MADE VIA FEDWIRE TRANSFER TO PNC BANK N.A. FEDERAL RESERVE OF PITTSBURGH ABA 043000096, ACCOUNT 1017238669 ATTN: TRADE SERVICE OPERATIONS, PITTSBURGH, PA UNDER ADVICE TO US QUOTING OUR REFERENCE AS IT APPEARS ABOVE.

\*\* IN THE EVENT THIS INVOICE IS NOT PAID WITHIN 30 DAYS, A TRACER FEE WILL BE INCURRED.

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

	ACTION SUCCESSFUL RANCH 00411 COST CENTER 0005592 FIXED RATE
NAME CHARLESTOWN COMMUNITY INC & 991 CORPORATE BLVD	RELATIONSHIP . TIN 52-1315965
ADDR LINTHICUM HEIGHTS MD 21090-2227	WTHLD CD PE EXEMPT DATE WTHLD CERT 11/18/2008 BIRTH DATE
	LAST MAINT DATE 11/18/2008 REA PLAN PACKAGE CD ADDED
COUNTRY	REMOVED
SEL SUB ACCOUNT RST ISS/RENEW MATURES P 01 4568 11/02/2009 11/02/2010 01 4569 10/14/2007 10/14/2010 01 7058 Y 11/16/2009 11/16/2010	CURRENT BALANCE STAT  .75  3.50  .72  506,376.70  99
TOTAL	3 506,376.70

PF: 1-HELP 2-MSGS 3-PLVL 4-RRS 6-CIF 7-SB 8-SF 9-CI34 10-CI10 11-CI11 12-CI50

## REDACTED

Date: 02/16/2010 Time: 2:18:46 PM

CI10 3	IDS CDA/REA I	FINANCIAL INQUIRY 02/17/1	10.20.13
BANK 40		ACTION SUCCESSFUL	
ACCT>	7058 PROD> CI	DA BRANCH 00411 COST CEN	NTER 0005592
CUSTOMER NUMBER 1018107			
NAME CHARLESTOWN COMMUNITY I		R 05 CORPORATION	
While Christian Correction 2			
ORIGINAL PURCHASE	500.000.00	ISSUED 11/16/2009 STAT 9	99 ACTIVE
	202,00000	MATURE 11/16/2010 TERM	12 M
CURRENT BALANCE	506,686.35		
ASSIGNMENTS/PLEDGES	500,000.00	REA PLAN	
•	·	LAST REA RATE CHANGE	
INT ACCRUED TO 02/17/2010	.00	PYMT METHOD TA INTEREST I	PYMT TO ACCT
	309.65	PYMT FREQ IM MONTHLY FI	ROM ISSUE
W/H CODE PC LAST INT W/H		INT ACCT#	
INTEREST PAID YTD	619.11	MAIL CODE 01 REGULAR M	AIL
INTEREST WITHHELD YTD		AIP STAT AIP GEN DATE	•
INTEREST PAID LAST YR	6,067.24	•	
INTEREST WHLD LAST YR	• • • • • • • • • • • • • • • • • • • •	AIP NEXT INT PYMT DATE	
LAST DEPOSIT 02/16/2010	309.65		
FEATURE	300.00		
OPENED 11/14/2008 LAST A	ACTY 01/26/2	009 REDEFINED	TYPE
	MAINT 01/26/2		

PF: 1-HELP 2-MSGS 3-PLVL 9-CI34 10-CI50 11-CI11 12-CI15

# REDACTED

Date: 02/17/2010 Time: 10:20:15 AM

## EXHIBIT 2

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219

Mail Stop: P7-PFSC-03-T

Swift: PNCCUS33

`hone: 1-800-682-4689

**OPNCBANK** 

DATE: SEPTEMBER 18, 2008

CONTINENTAL CASUALTY COMPANY COLLATERAL AND AGREEMENTS, 29TH FL 333 S. WABASH AVENUE CHICAGO IL 60604

#### NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:

18106388-00-000

TRANSACTION NUMBER:

2

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106388-00-000 HAS BEEN EXTENDED TO JANUARY 11, 2010.

THIS IS NOT TO BE CONSIDERED AS AN AMENDMENT TO THE LETTER OF CREDIT. THIS IS FOR INFORMATION PURPOSES ONLY.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

not sent to sens.

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T

Swift: PNCCUS33

Telephone: 1-800-682-4689

PNCBANK

DATE: NOVEMBER 14, 2007

BENEFICIARY:

COLLATERAL AND AGREEMENTS, 29TH FL 991 CORPORATE BLVD

333 S. WABASH AVENUE

CHICAGO IL 60604

APPLICANT:

CONTINENTAL CASUALTY COMPANY ERICKSON RETIREMENT COMMUNITIES LLC

LINTHICUM HEIGHTS, MD 21090

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:

18106388-00-000

AMENDMENT NUMBER:

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18106388-00-000 AS FOLLOWS:

THE BENEFICIARY NAME AND ADDRESS HAS BEEN CHANGED TO READ AS ABOVE.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

Page 1 of 1

18106388-00-000 .

PNC Bank, National Association
Trade Service Operations
3rd Floor
500 First Avenue
Pittsburgh, PA 15219
Mail Stop: P7-PFSC-03-T

**PNCBANK** 

DATE: NOVEMBER 08, 2007

CONTINENTAL CASUALTY COMPANY COLLATERAL AND AGREEMENTS, 29TH FL 333 S. WABASH AVENUE CHICAGO IL 60604

#### NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:

18106388-00-000

TRANSACTION NUMBER:

1

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106388-00-000 HAS BEEN EXTENDED TO JANUARY 11, 2009.

THIS IS NOT TO BE CONSIDERED AS AN AMENDMENT TO THE LETTER OF CREDIT. THIS IS FOR INFORMATION PURPOSES ONLY.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

PNC Bank, National Association Trade Service Operations 3rd Floor

500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33 Telephone: 1-800-682-4689 PULLING 10 BO/2007 Mellonby @PNCBANK

DATE: SEPTEMBER 17, 2007

CONTINENTAL CASUALTY COMPANY (SEE COMPLETE ADDRESS BELOW) CHICAGO IL 60685

#### AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:

18106388-00-000

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

: TRUOMA

USD \$3,000,000.00

EXPIRY DATE:

JANUARY 11, 2008 BALTIMORE, MARYLAND

EXPIRY PLACE:

WE HEREBY AMEND IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 8106 AS FOLLOWS:

BENEFICIARY'S FULL NAME AND ADDRESS:

CONTINENTAL CASUALTY COMPANY CNA INSURANCE COMPANIES 333 SOUTH WABASH, CNA CENTER CHICAGO, IL 60685 ATTN: CONTRACT ADM. 29TH FLOOR

APPLICANT'S NAME AND ADDRESS NOW TO READ:

ERICKSON RETIREMENT COMMUNITIES, LLC 991 CORPORATE BLVD LINTHICUM, MD 21090-2227

THE ISSUING BANK IS NOW TO READ PNC BANK, NATIONAL ASSOCIATION.

THIS LETTER OF CREDIT IS NOW AVAILABLE FOR PAYMENT AT THE COUNTERS OF PNC BANK, NATIONAL ASSOCIATION, TWO HOPKINS PLAZA, 5TH FLOOR, BALTIMORE, MD 21201.

THE LETTER OF CREDIT NUMBER IS NOW TO READ 18106388-00-000.

DRAFTS, IF REQUIRED BY THE EXISTING TERMS OF THE LETTER OF CREDIT, MUST NOW BE DRAWN ON PNC BANK, NATIONAL ASSOCIATION, BALTIMORE, MD AND Page 1 of 3 18106388-00-000 PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33

Telephone: 1-800-682-4689

**PNCBANK** 

REFERENCE OUR LETTER OF CREDIT NO. 18106388-00-000

ALL REFERENCES IN THE LETTER OF CREDIT TO THE ISSUING BANK SHOULD NOW READ PNC BANK, NATIONAL ASSOCIATION.

ALL REFERENCES IN THE LETTER OF CREDIT TO THE LETTER OF CREDIT NUMBER SHOULD NOW READ 18106388-00-000.

PLEASE ADDRESS ALL CORRESPONDENCE TO PNC BANK, NATIONAL ASSOCIATION, TWO HOPKINS PLAZA, 5TH FLOOR, BALTIMORE, MD 21201 TO THE ATTENTION OF NORMA BANKS, PHONE NUMBER 410-237-5305.

PLEASE SIGNIFY YOUR CONSENT TO THIS AMENDMENT BY SIGNING THE ATTACHED COPY OF THIS AMENDMENT AND RETURNING THE SAME DIRECTLY TO US BY MAIL TO OUR ADDRESS AT 500 FIRST AVENUE, 3RD FLOOR, P7-PFSC-03-T, PITTSBURGH, PA 15219. YOUR IMMEDIATE ATTENTION TO THIS MATTER IS REQUIRED IN ORDER THAT WE MAY COMPLETE OUR RECORDS.

ALL OTHER CONDITIONS REMAIN UNCHANGED.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

Page 2 of 3

18106388-00-000

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219

Mail Stop: P7-PFSC-03-T

Swift: PNCCUS33

Telephone: 1-800-682-4689

**PNCBANK** 

IN REFERENCE TO AMENDMENT UNDER OUR LETTER OF CREDIT NUMBER

18106388-00-000

WE HEREBY CONSENT TO THE TERMS AND CONDITIONS OF THIS AMENDMENT.

WE DO NOT CONSENT TO THE TERMS AND CONDITIONS OF THIS AMENDMENT.

WE FURTHER CERTIFY THAT THE UNDERSIGNED IS AUTHORIZED TO EXECUTE THIS AGREEMENT.

CONTINENTAL CASUALTY COMPANY

BY: August Casualty

Page 3 of 3

18106388-00-000

#### IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8106

BENEFICIARY:

DATE:

January 11, 2006

Continental Casualty Company CNA Insurance Companies

333 South Wabash, CNA Center

Chicago, IL 60685

Attn: Contract Adm. 29th Floor

**EXPIRATION:** January 11, 2007

#### Gentlemen:

We have established this Clean, Irrevocable and Unconditional Letter of Credit No. 8106 in your favor for the account of Erickson Retirement Communities, LLC, 701 Maiden Choice Lane, Baltimore, MD 21228 for drawing up to the aggregate amount of \$3,000,000.00 U.S. Dollars, effective immediately and remaining in full force and effect until expiring at our office, at Mercantile-Safe Deposit and Trust Company Two Hopkins, Plaza 5th Floor, Baltimore, Maryland, 21201, Attn: International Department with our close of business on January 11, 2007.

We hereby undertake to promptly honor your sight draft(s) on us in your favor, for all or any part of this Letter of Credit, if presented at our office at Mercantile-Safe Deposit and Trust Company, Two Hopkins Plaza, 5th Floor, Baltimore MD, 21201, Attn: International Department, on or before the expiry date or any automatically extended date.

Except as stated herein, this undertaking is not subject to any condition or qualification. Our obligation under this Letter of Credit shall be our individual obligation, in no way contingent upon reimbursement with respect thereto.

It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one (1) year from the expiration date hereof, or any future expiration date, unless sixty (60) days prior to any expiration date we shall notify you by Overnight Courier to your address set forth above that we elect not to consider this Letter of Credit renewed for any such additional period.

All drafts must be marked: "Drawn under Mercantile-Safe Deposit and Trust Company Letter of Credit No. 8106, dated January 11, 2006."

Drafts must be presented to us not later than January 11, 2007 or any extended expiration date as herein above provided.



18106388

L/C 8106 Page 2

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, (the "UCP"). Notwithstanding Article 17 of the UCP, if this Letter of Credit expires during an interruption of our business as described in said Article 17, the Bank hereby specifically agrees to effect payment if this Letter of Credit is drawn against within thirty (30) days after the resumption of our business.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: Burbara R. Wallace, Senior Vice President

D. Seward Woelper, Assistant Vice President



### IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8106

BENEFICIARY:

DATE:

January 11, 2006

EXPIRATION: January 11, 2007

Continental Casualty Company CAN Insurance Companies

333 South Wabash, CAN Center

Chicago IL 60685

Attn: Contract Adm. 29th Floor

Gentlemen:

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We hereby undertake to promptly honor your sight draft(s) on us in your favor, for all or any part of this Letter of Credit, if presented at our office at Mercantile-Safe Deposit and Trust Company, Two Hopkins Plaza, 5th Floor, Baltimore MD, 21201, Attn: International Department, on or before the expiry date or any automatically extended date.

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### IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8106

BENEFICIARY:

DATE:

January 11, 2006

Continental Casualty Company CAN Insurance Companies 333 South Wabash, CAN Center

EXPIRATION: January 11, 2007

Chicago IL 60685

Attn: Contract Adm. 29th Floor

#### Gentlemen:

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All drafts must be marked: "Drawn under Mercantile-Safe Deposit and Trust Company Letter of Credit No. 8106, dated January 11, 2006."

Drafts must be presented to us not later than January 11, 2006 or any extended expiration date as herein above provided.



### MERCANTILE-SAFE DEPOSIT & TRUST COMPANY BALTIMORE, MARYLAND 21201

18107082

INDEMNIFICATION AGREEMENT

	•			Date	10/25/04
In con	usideration of your issuance of live	vocable Clean Le	tter of Credit ("	Credit'') No	8783
for 5	3,000,000.00	in	favor of Co.	stivental	CASUALTY
	npany.				
	coount of:				
And as s	courity for any and all obligation	s and/or liabilitie	es of the unders	igned, we hereby	plodge, assign and grant
	DEMAN SYOEA SHT of testing				
and all pr hersinafte	operty listed on the attached sche I shall be referred to as "collaters	dule, which prop	erty, together w	ith all additions,	substitutions and proceed
WE, 1018	ntly and severally, her	BBY ACREB,		••	
1.	To indemnify and save you har with the Credit;	mless from any a	nd all loss, liab	lity or expense ar	ising from or in connection
2.	To reinfourse you on your dam	and the equivalen	at of any and al	l drafts that may	be drawn-under it;
3.	To pay you, on demand, your minimum commission, together curred by you in connection wi	WILL BUILDING	ARA Charpet (in	MINISTER Churche C	proper and, in any event, or legal services) paid or i
4.	As security for the payment, per direct or indirect, absolute or co you, and/or give to you a lien using in any of our account, and time shall be delivered to or other whether or not for the express prother or different purpose, or way, by us or for our account, o purpose for which delivered or thereof; with the right to you, i	ntingent, due or a pon, and/or right all property and a white come into y which shall be in a thich shall be in a thich we man	iof due, now only of action of ever of ever of ever of ever our posteration, sed by you as corrected by have any interior of all recorrected of all recorrected out of the all recorrecte	sting or hereafter of the sting or hereafter of the stind and nature custody or control llateral security of set apart for you, and the sting of the sting or the sting of the sting of the sting of the sting or the sting of the	arising, we hareby pledge to ances now or hereafter arise e which have been or at an if for any purpose whatever for safekceping or for an or anyone for you, in an half accept the same for the
	ndersigned shall pay and be joint as, incident to the enforcement of part of the principal amount due			ik for all reasona it and all such exp	ble expenses, including an enses shall be added to an
and give al	recement shall be binding upon us, able by, you and your respective s I or any of the property held as see d rights in respect thereto, given the billity or responsibility with resp	urity therefor to t	crees and assign	s. You may assign	or transfer this agreemen
А сору	of said Letter of Credit is attached	l hereto and we h	ereby confirm a	nd agree to the ter	ms and conditions thereof
	anissication Agreement shall be con				
CORPOR	ations or partnerships sign be	ELOW.		Individuals si	
Erickson time of Come	Victimement Communitie	SLLC			(SEAL
<sup>3</sup> y <u> </u>	MATTE	<del></del>		·	(SEAL
»					

#### Banks, Norma

18107082

From:

Weber, Jason

Sent:

Tuesday, November 01, 2005 12:11 PM

To:

Eaddy, Sinclair; Banks, Norma

Cc:

McLean, Bruce; Woelper, Chip

Subject: RE: Collateral for L/C 8783

Norma, each of the CDs below was pledged for L/C #8783 on October 31, 2005. Please let me know if you need any additional information.

Jason Weber Treasury Analyst (410) 237-5662

Mercantile-Safe Deposit & Trust Co. 2 Hopkins Plaza, 8th Fl. Baltimore, MD 21201

Email: jason.weber@mercantile.com

From: Eaddy, Sinclair

Sent: Tuesday, November 01, 2005 12:07 PM

To: Weber, Jason

Subject: FW: Collateral for L/C 8783

FYI

Sinclair Eaddy
Mercantile-Safe Deposit & Trust Co.
2 Hopkins Plaza, 8th Fl.
Baltimore, MD 21201

Email: sinclair.eaddy@mercantile.com

From: Banks, Norma

Sent: Tuesday, November 01, 2005 9:25 AM

To: Eaddy, Sinclair

Cc: McLean, Bruce; Woelper, Chip Subject: Collateral for L/C 8783

#### OFFICE MEMORANDUM

#### MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

BL#212484708783

DATE:

December 31, 2004

18107082

TO:

Eileen Wentzel

Norma Banks

FROM:

Chip Woelper DSW

RE:

Erickson Retirement Communities, LLC: Assignment of Certificates of Deposit

Effective immediately, please release the hold on CD # 166000020 (Erickson Retirement Communities). This CD no longer secures the letter of credit No. 8783.

The following Certificates of Deposit secure L/C No. 8783

CD Number	Community Name	Principal Collateral H
168000055 168000056 168000057 168000059 168000060 168000061 168000062 168000063	Ann's Choice, Inc. Brooksby Village, Inc. Cedar Crest Village, Inc. Charlestown Community, Inc. Fox Run Village, Inc. Greenspring Village, Inc. Henry Ford Village, Inc. Linden Ponds, Inc. Oak Crest Village, Inc.	31,144.00 # 400/49924 - 234,157.00 # 400/49924 - 227,980.00 # 400/49926 - 584,004.00 # 400/49928 - 31,144.00 # 400/49929 - 423,964.00# 400/49929 - 269,871.00 # 400/49930 - 269,871.00 # 400/49930 - 31,381.00 # 400/49930 - 534,235.00 # 400/49934 -
168000064 168000065 168000066	Riderwood Village, Inc. Sedgebrook, Inc. Seabrook Village, Inc.	286,511.00 400144935 - 10,380.00 400144936 - 262,229.00 400,49937
168000067	Erickson Retirement Communities	94,000.00 400144939

TOTAL: 3,000,000.00

Feel free to contact me at x5216 with any questions.

cc: Bruce McLean

CIDEAP ( LST CI SLETE APPLICATION RELATION TIP

BANK 0001

APPLICATION COUNT NUMBER

BUSINESS LOANS 0000272484708783

ERICKSON RETIREMENT COMMUNITIES LLC 991 CORPORATE BLVD LINTHICUM HEIGHTS MD

21090-2227

18107082

1. COLLATERAL 0000000400149316 MSD&T CO JUMBO CD#166000020

0

( ) ENTER THE NUMBER OF THE RELATIONSHIP TO BE DELETED

CIDEAP ( LST CT DELETE APPLICATION RELATION HIP

BANK 0001

APPLICATION COUNT NUMBER BUSINESS LOANS 0000272484708783

ERICKSON RETIREMENT COMMUNITIES LLC 991 CORPORATE BLVD LINTHICUM HEIGHTS MD

21090-2227

18107082

1. COLLATERAL 000000400149316 MSD&T CO JUMBO CD#166000020

0

( 1 ) ENTER THE NUMBER OF THE RELATIONSHIP TO BE DELETED

CI DISPLAY CUSTOMER BANK 0001 CIDICU ( FWD ERICKSON RETIREMENT COMMUNITIES LLC CUSTOMER NAME 18107082 MAILING ADDRESS LINE 1 991 CORPORATE BLVD ILING ADDRESS LINE 2 21090-2227 91 LINTHICUM HEIGHTS MD ..TY AND STATE LAST MAINT 03/10/04 SSN / TAX ID 522003375 F DAY PHONE OFFICER BDM DUE DATE EXPIRATION TRACKING MESSAGE NONE 1. COLL OWNER 0000000400149936 JUMBO CD#168000065-SEDGEBROOK INC 2. COLL OWNER 0000000400149937 JUMBO CD#168000066-SEABROOK VILLAGE, INC 0 3. COLL OWNER 0000000400149939 JUMBO CD#168000067-ERICKSON RETIREMENT 4. PRIMARY OWNER FC SEC LINES BUSINESS 0000272484739999 2,000,000.00 5. PRIMARY OWNER FC OFFERING BASIS 0000272484779999 10,000,000.00 ERICKSON CONSTRUCTION LLC 6. SUBSIDIARY 7. SUBSIDIARY 8. SUBSIDIARY 9. SUBSIDIARY FOX RUN VILLAGE INC HINGHAM CAMPUS LLC

IF MORE THAN ONE RELATIONSHIP IS TO BE ACCESSED, ENTER IN THE SELECTED ORDER.

HOUSTON CAMPUS LP

( 0 0 0 0 0 0 0 0 0 ) ACCESS SELECTED RELATIONSHIPS

( N ) ACCESS SELECTED RELATIONSHIPS

)

PNC Bank, National Association Trade Service Operations 500 First Avenue - 3rd Floor Pittsburgh, PA 15219 Mail stop: P7-PFSC-03-T

Customer Service: 1-800-682-4689 SWIFT Address: PNCCUS33



TRACER DATE: DECEMBER 30, 2009

ERICKSON RETIREMENT COMMUNITIES LLC MAIL STOP 101 P.O. BOX 22000 CATONSVILLE, MD 21228

#### STATEMENT OF LETTERS OF CREDIT PAST DUE FEES AND COMMISSIONS

OUR REFERENCE:

18106388-00-000

APPLICANT: ERICKSON RETIREMENT COMMUNITIES LLC

BENEFICIARY:

CONTINENTAL CASUALTY COMPANY

THE FOLLOWING FEES ARE NOW PAST DUE FOR THE BELOW LISTED LETTER OF CREDIT:

18106388-00-000:

09/30/2009

STANDBY COMMISSION

BILLING PERIOD: 07/01/2009 09/30/2009 92

DAYS

TRUIOMA \$3,000,000.00 RATE 1.00

COMMISSION

\$7,666.67

TOTAL AMOUNT DUE:

\_\_\_\_\_ \$7,666.67

PLEASE SEND YOUR REMITTANCE BY OFFICIAL CHECK PAYABLE TO PNC BANK, NATIONAL ASSOCIATION, INCLUDING OUR REFERENCE NUMBER AS IT APPEARS ABOVE. PLEASE ATTACH A COPY OF THIS ADVICE TO YOUR REMITTANCE AND FORWARD IT TO:

PNC BANK NATIONAL ASSOCIATION FIRST SIDE CENTER 500 FIRST AVENUE, 3RD FLOOR P7-PFSC-03-T PITTSBURGH, PA 15219

OR

SEND YOUR REMITTANCE BY WIRE TRANSFER TO PNC BANK N.A., PITTSBURGH, PA ABA NUMBER 043000096 FOR CREDIT TO ACCOUNT NUMBER 1017238669 ATTN: TRADE SERVICE OPERATIONS, PITTSBURGH, PA UNDER ADVICE TO US QUOTING OUR REFERENCE AS IT APPEARS ABOVE.

SHOULD YOU REQUIRE ANY ASSISTANCE, PLEASE CONTACT GLOBAL TRADE SERVICE OPERATIONS AS SHOWN ABOVE. WHEN REFERRING TO THIS TRANSACTION, REMEMBER TO QUOTE OUR REFERENCE NUMBER.

PNC Bank, National Association Trade Service Operations 500 First Avenue - 3rd Floor Pittsburgh, PA 15219 Mail stop: P7-PFSC-03-T

Customer Service: 1-800-682-4689 SWIFT Address: PNCCUS33



DATE: DECEMBER 31, 2009

ERICKOSN RETIREMENT COMMUNITIES MAIL STOP 101 P.O. BOX 22000 CATONSVILLE, MD 21228

#### ACCOUNTS RECEIVABLE ADVICE

OUR REFERENCE:

18106388-00-000

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

BENEFICIARY:

CONTINENTAL CASUALTY COMPANY

THE FOLLOWING FEES ARE NOW DUE:

STANDBY COMMISSION

DAYS BILLING PERIOD: 10/01/2009 12/31/2009 92 3,000,000.00

BASIS AMOUNT

RATE 1.00% FEE AMOUNT

7,666.67 \$7,666.67

TOTAL AMOUNT DUE:

\$7,666.67

PLEASE SEND YOUR REMITTANCE BY CHECK PAYABLE TO PNC BANK, NATIONAL ASSOCIATION, INCLUDING OUR REFERENCE NUMBER AS IT APPEARS ABOVE. PLEASE ATTACH A COPY OF THIS ADVICE TO YOUR REMITTANCE AND FORWARD IT

PNC BANK NATIONAL ASSOCIATION 500 FIRST AVENUE TRADE SERVICE OPERATIONS, 3RD FLOOR PITTSBURGH, PA 15219

QR

SETTLEMENT CAN BE MADE VIA FEDWIRE TRANSFER TO PNC BANK N.A. FEDERAL RESERVE OF PITTSBURGH ABA 043000096, ACCOUNT 1017238669 ATTN: TRADE SERVICE OPERATIONS, PITTSBURGH, PA UNDER ADVICE TO US QUOTING OUR REFERENCE AS IT APPEARS ABOVE.

\*\* IN THE EVENT THIS INVOICE IS NOT PAID WITHIN 30 DAYS, A TRACER FEE WILL BE INCURRED.

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

CI15 2 IDS CDA	A/REA CUSTOM MS		02/16/ UCCESSFUL	10 14.18.54
BANK 40  ACCT> CONTROL 0742 PE		RANCH 00385		NTER 0000385
		FIXED RATE		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
		CORPORATIO		
NAME ERICKSON RETIREMENT SU	ODOWNER 03	COMPONENT	21	
NAME ERICKSON RETIREMENT		RELATIONSH	IP	
& 719 MAIDEN CHOICE LN		TIN		52-1315965
	28-6138	WTHLD CD	PE EXEMPT	
		DATE WTHLD	CERT	12/11/2007
•		BIRTH DATE		
		LAST MAINT	DATE	12/11/2007
		REA PLAN		
		PACKAGE CD	ADDED	)
COUNTRY			REMOVED	•
SEL SUB ACCOUNT RST ISS/RENEW	MATURES PI		CURRENT BA	LANCE STAT
07 9852 10/24/2007		3.76		0.00 08
07 9901 10/26/2007	· ·	3.50		0.00 07
01 0742 Y 10/31/2009	10/31/2010	.75	3,255,9	942.43 99
TOTAL		3	3,255,9	

PF: 1-HELP 2-MSGS 3-PLVL 4-RRS 6-CIF 7-SB 8-SF 9-CI34 10-CI10 11-CI11 12-CI50

# REDACTED

Date: 02/16/2010 Time: 2:18:57 PM

BANK 40	0742 PROD> CI	DA BRANCH 00385 COST CENTER 0000385 T 01 FIXED RATE
ORIGINAL PURCHASE	3,087,643.50	ISSUED 10/31/2009 STAT 99 ACTIVE MATURE 10/31/2010 TERM 12 M
CURRENT BALANCE	3,255,942.43	
ASSIGNMENTS/PLEDGES	3,087,643.50	REA PLAN LAST REA RATE CHANGE
INT ACCRUED TO 02/17/2010 LAST INT PYMT 01/31/2010 W/H CODE PE LAST INT W/H	1,070.45 2,072.67	TO A COM
INTEREST PAID YTD	2,072.67	MAIL CODE 01 REGULAR MAIL
INTEREST WITHHELD YTD INTEREST PAID LAST YR INTEREST WHLD LAST YR	54,956.17	AIP STAT AIP GEN DATE AIP PAYMENT AMT AIP NEXT INT PYMT DATE AIP NEXT INT AMT
LAST DEPOSIT 01/31/2010 FEATURE	2,072.67	
01000 10,00,00	ACTY 11/01/2 MAINT 12/11/2	NEDEL TREE

PF: 1-HELP 2-MSGS 3-PLVL 9-CI34 10-CI50 11-CI11 12-CI15

## REDACTED

Date: 02/17/2010 Time: 10:20:24 AM

## EXHIBIT 3

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33

~-phone: 1-800-682-4689



DATE: NOVEMBER 13, 2008

ZURICH AMERICAN INSURANCE COMPANY, TOWER 2 - 9TH FLOOR 1400 AMERICAN LANE, ATTN: E. HOOKS SCHAUMBURG IL 60196-1056

#### NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:

18106392-00-000

TRANSACTION NUMBER:

3

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106392-00-000 HAS BEEN EXTENDED TO FEBRUARY 06, 2010.

THIS IS NOT TO BE CONSIDERED AS AN AMENDMENT TO THE LETTER OF CREDIT. THIS IS FOR INFORMATION PURPOSES ONLY.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

mot sont to sent

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33

~lephone: 1-800-682-4689

**PNCBANK** 

DATE: NOVEMBER 27, 2007

ZURICH AMERICAN INSURANCE COMPANY, TOWER 2 - 9TH FLOOR 1400 AMERICAN LANE, ATTN: E. HOOKS SCHAUMBURG IL 60196-1056

#### NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:

18106392-00-000

TRANSACTION NUMBER:

2

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106392-00-000 HAS BEEN EXTENDED TO FEBRUARY 06, 2009.

THIS IS NOT TO BE CONSIDERED AS AN AMENDMENT TO THE LETTER OF CREDIT. THIS IS FOR INFORMATION PURPOSES ONLY.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

ink. National Association Service Operations First Avenue sburgh, PA 15219 ill Stop: P7-PFSC-03-17

. PNCCUS33 phone: 1-800-682:4689

ZURICH AMERICAN INSURANCE COMPANY, TOWER 2 SIH FLOOR 1400 AMERICAN LANE ATTN E, HOOKS SCHAUMBURG IL 60196-1056

### AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

¿OUR REFERENCE:

18106392-00-000

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

TRUDOMA EXPIRY DATE:

USD \$1,875,000 000 FEBRUARY 06 12008 BALTIMORE, MARYLAND

WE HEREBY AMEND IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 8119 AS

ISSUING BANK IS NOW TO READ PNC BANK, NATIONAL ASSOCIATION.

THIS LETTER OF CREDIT IS NOW AVAILABLE FOR PAYMENT AT THE COUNTERS OF THIS LETTER OF CREDIT IS NOW AVAILABLE FOR PAIMENT HE COUNTY OF CREDIT IS NOW AVAILABLE FOR PAIMENT HE COUNTY BALTIMORE, MD 21201.

THE LETTER OF CREDIT NUMBER IS NOW TO READ 18106392 00 000.

DRAFTS, IF REQUIRED BY THE EXISTING TERMS OF THE LETTER OF CREDIT, NOW BE DRAWN ON PNC BANK, NATIONAL ASSOCIATION, BALTIMORE, MD AND REFERENCE OUR LETTER OF CREDIT NO. 18106392-00-000

ALL REFERENCES IN THE LETTER OF CREDIT TO THE ISSUING BANK SHOULD NOW READ PNC BANK, NATIONAL ASSOCIATION

ALL REFERENCES IN THE LETTER OF CREDIT TO THE LETTER OF CREDIT NUMBER SHOULD NOW READ 18106392-00-000.

PLEASE ADDRESS ALL CORRESPONDENCE TO PNC BANK, NATIONAL ASSOCIATION,
TWO HOPKINS PLAZA, 5TH FLOOR, BALTIMORE, MD 21201 TO THE ATTENTION OF PLEASE ADDRESS ALL CONTROL BALTIMUKE, THE TWO HOPKINS PLAZA 5TH FLOOR BALTIMUKE, NORMA BANKS PHONE NUMBER 410-237-5305.

PLEASE SIGNIFY YOUR CONSENT TO THIS AMENDMENT BY SIGNING THE ATTACHED Page 1 of 3 18106392-00-000

500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T

Page 2 of 3 18106392-00-000 

PNC Bank, National Association Trade Service Operation 500 First Avenue Rittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T

: PNCCUS33 hone: 1-800-682-4689

IN REFERENCE TO AMENDMENT UNDER OUR LE 19105392-00-000 TER OF CREDIT NUMBER

10/05/200

WE HEREBY CONSENT TO THE TERMS AND CONDITIONS OF THIS AMENDMENT.

WE DO NOT CONSENTATO THE TERMS AND CONDUTTIONS OF THIS AMENDMENT

WE FURTHER CERTIFY THAT THE UNDERSIGNED IS AUTHORIZED TO EXECUTE THIS

Page 3 of 3



18106392 IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8119

BENEFICIARY:

Zurich American Insurance Company Tower 2-9<sup>th</sup> Floor Attn: E. Hooks

1400 American Lane

Schaumburg, IL 60196-1056

DATE:

February 6, 2006

EXPIRATION DATE: February 6, 2007

APPLICANT: Erickson Retirement Communities

LLC

991 Corporate Blvd., Linthicum, MD 21090

We have established this clean, irrevocable, and unconditional Letter of Credit in your favor as Beneficiary for drawings up to U.S. \$1,875,000.00 effective immediately. This Letter of Credit is issued, presentable and payable at our office at Two Hopkins Plaza, Baltimore, MD 21201, Attention: International Department, and expires with our close of business on February 06, 2007. Except when the amount of this Letter of Credit is increased, this Credit cannot be modified or revoked without your consent.

The term "Beneficiary" includes any successor by operation of law of the named Beneficiary including without limitation any liquidator, rehabilitator, receiver, or conservator. Drawings by any liquidator, rehabilitator, receiver or conservator shall be for the benefit of all of the Beneficiary's policyholders.

We hereby undertake to promptly honor your sight draft(s) drawn on us, indicating our Credit No. 8119, for all of or any part of this Credit upon presentation of your draft drawn on us at our office specified in paragraph one on or before the expiration date hereof or any automatically extended expiry date.

Except as expressly stated herein, this undertaking is not subject to any agreement, requirement or qualification. The obligation of Mercantile-Safe Deposit and Trust Company under this Credit is the individual obligation of Mercantile-Safe Deposit and Trust Company and is in no way contingent upon reimbursement with respect thereto, or upon our ability to perfect any lien, security interest or any other reimbursement.

This Letter of Credit is deemed to be automatically extended without amendment for one (1) year from the expiration date or any future expiration date, unless sixty (60) days prior to such date, we notify you by Registered Mail that this Letter of Credit will not be renewed for any such additional period.



L/C <u>8119</u> Page 2 18106392

This Letter of Credit is subject to and governed by the laws of the State of New York and the 1993 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce (Publication No. 500), and in the event of any conflict, the Laws of the State of New York will control. If this credit expires during an interruption of business, as described in Article 17 of said Publication 500, the bank hereby specifically agrees to effect payment if this Credit is drawn against within 30 days after the resumption of business.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: Burbare 'R Wallace, Senior Vice President

D. S. Woelper, Assistant Vice President

APPLICATION FOR IRREVOCABLE LETTER OF CREDIT
ACCOUNT NAME. ECCKSON Retrement Communites, UC Date 1/30/06  Billing 991 Corporate Blvd, Linthicum zip 21090 Deposit A/C No. 14403124  Amount \$ 1,875,000.00 Secured Expiration Date: 1/30/2007 Line of Credit  Letter Credit Favor Of: Zurich American Insurance Company II yes, Amount \$  Address: 1EWER 2 - 9th Floor - Attn: E, Hook's Date Approved:  1400 American Lane Schaumburg, IL 40194-10576  If L/C is Drawn Against How Will Reimbursement be Provided?  Michecking Acct.   Loan Advance   Loan Advance
Purpose of Letter Credit: To Secure workers compensation plan Obligations to pay claims  State Conditional Terms Governing Drawings Under Letter of Credit: Language attached
List Collateral if Secured: Certificate of Deposits (15)
(Corporations or Partnership Sign Below)
Erickson Retirement Communities, UC (Seal)
Name of Corporation or Partnership (Seal)
By: (Seal)
FOLLOWING DOCUMENTS ATTACHED:  Signed Indemnification Agreement  Assignment of Savings or C.D.  Signed Note  Form of: Authorization Corporate Accts.  Other: Specify  Lending Officer
PLEASE NOTE: UPON ISSUANCE OF THIS LETTER OF CREDIT IT CANNOT BE CANCELLED WITHOUT WRITTEN APPROVAL OF BENEFICIARY AND ACCOUNT PARTY AND RETURN OF THE ORIGINAL LETTER CREDIT

446205

#### LETTER OF CREDIT

#### (Name of Bank) (Address)

( Our No.	Other
( Accountholder/Applicant	
(	
(	
	Issue Date
Irrevocable Clean Letter of Credit No	
To Beneficiary: (Name) + (Address)	ZURICH AMERICAN INSURANCE COMPANY Tower 2 – 9 <sup>th</sup> Floor – Attn: E. Hooks 1400 American Lane Schaumburg II. 60196-1056
Beneficiary for drawings up to U.S. 3	ble, and unconditional Letter of Credit in your favor as  effective immediately. This Letter of at our office at (issuing bank address) and expires with  Except when the amount of this Letter of Credit is d or revoked without your consent.
The term "Beneficiary" includes any suc	occessor by operation of law of the named Beneficiary tor, rehabilitator, receiver or conservator. Drawings by conservator shall be for the benefit of all of the
our office specified in paragraph one on extended expiry date.	r your sight draft(s) drawn on us, indicating our Credit this Credit upon presentation of your draft drawn on us at or before the expiration date hereof or any automatically
	dertaking is not subject to any agreement, requirement or g bank) under this Credit is the individual obligation of ent upon reimbursement with respect thereto, or upon our est or any other reimbursement.
This Letter of Credit is deemed to be at	stomatically extended without amendment for one (1) year late, unless sixty (60) days prior to such expiration date,

we notify you by Registered Mail that this Letter of Credit will not be renewed for any such additional period.

This Letter of Credit is subject to and governed by the Laws of the State of New York and the 1993 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce (Publication No. 500) and in the event of any conflict, the Laws of the State of New York will control. If this Credit expires during an interruption of business as described in Article 17 of said Publication No. 500, the bank hereby specifically agrees to effect payment if this Credit is drawn against within thirty (30) days after the resumption of business.

Very truly yours,

Bank Officer, Title Telephone Number



1 D -445020 (4/80)

### MERCANTILE-SAFE DEPOSIT & TRUST COMPANY BALTIMORE, MARYLAND 21201

INDEMNIFICATION AGREEMENT
Date $\frac{1/30/04}{}$
In consideration of your issuance of Irrevocable Clean Letter of Credit ("Credit") No.
for \$ 1,875,000.00 , in favor of Zurich American
Insurance Company For the account of: Erickson Refirement Communities, UC
For the account of: EVICENDE POSTIVE TO THE POSTIVE AND A PROPERTY
And as security for any and all obligations and/or liabilities of the undersigned, we hereby pledge, assign and grant a
security interest to THE ABOVE NAMED BANK in the following property:  Certificate of Deposit (15)
and all property listed on the attached schedule, which property, together with all additions, substitutions and proceeds hereinafter shall be referred to as "collateral", and
WE, JOINTLY AND SEVERALLY, HEREBY AGREE,
<ol> <li>To indemnify and save you harmless from any and all loss, liability or expense arising from or in connection with the Credit;</li> </ol>
2. To reimburse you on your demand the equivalent of any and all drafts that may be drawn under it;
To pay you, on demand, your commission at such rate as you determine to be proper and, in any event, a minimum commission, together with all expenses and charges (including charges for legal services) paid or incurred by you in connection with the Credit or any draft accepted by you.
4. As security for the payment, performance and discharge of any and all of our obligations and liabilities to you, direct or indirect, absolute or contingent, due or not due, now existing or hereafter arising, we hereby pledge to you, and/or give to you a lien upon, and/or right of set-off against, all deposit balances now or hereafter arising in any of our accounts, and all property and securities of every kind and nature which have been or at any time shall be delivered to or otherwise come into your possession, custody or control for any purpose whatever, whether or not for the express purpose of being used by you as collateral security or for safekeeping or for any other or different purpose, or which shall be in transit to you or set apart for you, or anyone for you, in any way, by us or for our account, or in which we may have any interest, whether you shall accept the same for the purpose for which delivered or not, and any and all proceeds of said property and securities and every part thereof; with the right to you, in your discretion, to resort first to any part of said security.
The Undersigned shall pay and be jointly and severally liable to the Bank for all reasonable expenses, including attorneys' fees, incident to the enforcement of any of the provisions of the Credit and all such expenses shall be added to and be made a part of the principal amount due pursuant to this Credit.
This agreement shall be binding upon us, our successors, transferees and assigns, and shall inure to the benefit of, and be enforceable by, you and your respective successors, transferees and assigns. You may assign or transfer this agreement and give all or any of the property held as security therefor to the transferee, who shall thereupon become vested with all the powers and rights in respect thereto, given you herein, and you shall thereafter be forever released and fully discharged from any liability or responsibility with respect thereto.
A copy of said Letter of Credit is attached hereto and we hereby confirm and agree to the terms and conditions thereof.
This Indemnification Agreement shall be construed in accordance with the Laws of the State of Maryland.
CORPORATIONS OR PARTNERSHIPS SIGN BELOW INDIVIDUALS SIGN BELOW
CORPORATIONS OR PARTNERSHIPS SIGN BELOW  EVICKSON Retirement Communities, LLC  Name of Corporation or Partnership  (SEAL
Name of Corporation or Parinership  (SEAL  By
(SEAL

ERTIFICATE OF DEPOSIT	
	Loan Type
	Loan Account Name

				Loan Account Name
		·		Collateral Account Name
BR #	TYPE#	Date:	May 21, 2007	
MERCANTII grants the Ba number or payable investments, renewals the	LE-SAFE DEPOSIT AND TRUST CO ank a security interest in, the under thereon or in respect thereof; to principal and interest of every kines reof or to any substitutions therefor 1,875,000.00	o, (herein called the signed's savings mon monis and claims for monithe term "account" included ind of the undersigned evided.	"Bank"), it's successors : ey market ⊠ certificate e es now and hereinafter de s (without limitations) noed by said account or	and assigns, and of deposit account, ue all shares, deposits, to any extensions or
kind and na	Assignment is made as and shall ture of the undersigned to the Bar olute, contingent, joint or several.	constitute collateral security ak, howsoever evidenced, wh	for any and all indebtednether now existing or he	ess and liabilities of any creafter arising, direct or
name of the	undersigned hereby irrevocably a undersigned and notwithstanding receive and give acquittance for a s and privileges and receive all ber	the death, disability or inca my and all monies and claim:	pacity of the undersigners for monies hereby assigners	and, to demand, apply for med and to exercise any
to the Bank including waccount, de-	withstanding anything to the contrunder Title 9 of the Commercial Lithout limitation requests for accommands for termination statements, and by the undersigned, and be deliminated by the undersigned.	aw Article of the Annotated ( ounting, requests regarding li- and demands for releases o	Code of Maryland, as not sists of collateral, request f collateral or account do receipt requested, to the rrust co.	w or herematter in effect, s regarding statement of ebtors, shall be made in
		tn: Commercial Loan Depar		
The with the rec	undersigned agrees that Bank sha	Il not be required to respond t	o any request or demand its security interest affect	ted or diminished in any

way by, the failure to respond to any request or demand that is not in compliance with the requirem

The undersigned represents and warrants that the account is genuine and in all respects is what it purports to be; that the undersigned is the owner thereof free and clear of all liens and encumbrances of any nature whatsoever; that the undersigned has not withdrawn, repurchased or redeemed all or any part thereof and there is no pending application for withdrawal, repurchase or redemption of all or any part thereof; and that the undersigned has full power, right and authority to execute and deliver this Assignment.

ERICKSON RETIREMENT COMMUNITIES, LLC, for itself and as attorney-in-fact and agent under a Master Power of Attorney and Appointment of Agent dated March 21, 2007 for the following entities:

Ann's Choice, Inc.;

Brooksby Village, Inc.;

Cedar Crest Village, Inc.;

Charlestown Community, Inc.;

Eagle's Trace, Inc.

Fox Run Village, Inc.;

Greenspring Village, Inc.;

Henry Ford Village, Inc.;

Highland Springs, Inc.

Linden Ponds, Inc.;

Maris Grove, Inc. .

Monarch Landing, Inc. .

Oak Crest Village, Inc.;

Riderwood Village, Inc.;

Seabrook Village, Inc.;

Sedgebrook, Inc.;

Tallgrass Creek, Inc.; and -

Wind Crest, Inc. -

WITNESS

Ву;

(SEAL)

Name: Weffrey A. Jacobson
Title: Chief Financial Officer



Levi Castland 443-883-4567

January 30, 2006

Chip Woelper Mercantile Safe Deposit & Trust Two Hopkins Plaza Baltimore, MD 21201

Mr. Woelper

Please purchase the following certificate of deposits totaling \$1,875,000.00 using funds from Erickson Retirement Communities, LLC Operating Account number 6463126. These certificates will be used to collateralize the letter of credit in the favor of Zurich American Insurance Company that we have requested.

Company Erickson Retirement Erickson Construction Henry Ford Village Seabrook Village	CD Amount \$ 69,215 \$141,643 \$151,174 \$169,856	<u>Tax ID Number</u> 52-2003375 52-2012727 38-3087328 52-2126751	
Cedar Crest Village	\$215,192	52-2184915	
Greenspring Village	\$162,525	52-2095427	
Brooksby Village	\$168,481	52-2126755	
Ann's Choice	\$136,784	52-2324152	
Fox Run Village	\$ 39,434	52-2291271	
Linden Ponds	\$ 25,173	14-1849849	
Eagle's Trace Sedgebrook	\$104,080 \$ 33,441	03-0498683- 52-1315065 30-0192	40
Charlestown	\$200,601	52-1315965	
Riderwood Village	\$126,251	52-2126753	
Oak Crest Village	\$131,150	52-1874053	

Sincerely,

Jefferv A. Jadobson

Executive Vice President and CFO

1-30-07 maturity But

#### Johnson, Michele

From:

Weber, Jason

Sent:

Wednesday, February 01, 2006 3:12 PM

To:

Woelper, Chip; Johnson, Michele

Subject:

Erickson Retirement CDs

Attachments: Erickson\_Retirement.xls

#### Chip / Michele:

Attached is a spreadsheet with a list of the Erickson Retirement CDs issued today. Details including CD Numbers are listed. If you have any questions or need any additional information, please let me know.

Thanks,

Jason

Jason Weber

Treasury Analyst

(410) 237-5662

Mercantile-Safe Deposit & Trust Co.

2 Hopkins Plaza, 8th Fl.

Baltimore, MD 21201

Email: jason.weber@mercantile.com

Sharold Circhic

### **Erickson Retirement Communities**

All CDs listed below were issued on February 1, 2006.

The following Certificates of Deposit are pledged for a letter of credit in favor of Zurich American Insurance Company.

The maturity date for these CDs is January 30, 2007.

CD Number	<b>Community Name</b>	<u>Principal</u>	Rate	# of Days	Interest
168004498	Erickson Retirement Communities	69,215.00	3.25%	363	2,268.23
168004499	Erickson Construction	141,643.00	3.40%	363	4,855.99
168004500	Henry Ford Village, Inc.	151,174.00	3.40%	363	5,182.75
168004501	Seabrook Village, Inc.	169,856.00	3.40%	363	5,823.23
168004502	Cedar Crest Village	215,192.00	3.40%	363	7,377.50
168004503	Greenspring Village, Inc.	162,525.00	3.40%	363	5,571.90
168004504	Brooksby Village	168,481.00	3.40%	363	5,776.09
168004505	Ann's Choice	136,784.00	3.40%	363	4,689.41
168004506	Fox Run Village	39,434.00	3.25%	363	1,292.29
168004507	Linden Ponds	25,173.00	3.25%	363	824.94
168004508	Eagle's Trace, Inc.	104,080.00	3.40%	363	3,568.21
168004509	Sedgebrook	33,441.00	3.25%	363	1,095.89
168004510	Charlestown	200,601.00	3.40%	363	6,877.27
168004511	Riderwood Village	126,251.00	3.40%	363	4,328.31
168004512	Oak Crest Village	131,150.00	3.40%	363	4,496.26

TOTAL: <u>1.875,000.00</u> <u>64.028.26</u>

#### OFFICE MEMORANDUM

OF

### MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

DATE:

February 2, 2006

TO:

Jason Weber

Norma Banks

FROM:

Chip Woelper

RE:

Erickson Retirement Communities, LLC: Assignment of Certificate of Deposit

The following Certificates of Deposit secure L/C No. 8119:

<u>CD</u> Number	Community Name	Principal
	Erickson Retirement	
168004498	Communities	69,215.00
168004499	Erickson Construction	141,643.00
168004500	Henry Ford Village, Inc.	151,174.00
168004501	Seabrook Village, Inc.	169,856.00
168004502	Cedar Crest Village	215,192.00
168004503	Greenspring Village, Inc.	162,525.00
168004504	Brooksby Village	168,481.00
168004505	Ann's Choice	136,784.00
168004506	Fox Run Village	39,434.00
168004507	Linden Ponds	25,173.00
168004508	Eagle's Trace, Inc.	104,080.00
168004509	Sedgebrook	33,441.00
168004510	Charlestown	200,601.00
168004511	Riderwood Village	126,251.00
168004512	Oak Crest Village	131,150.00

TOTAL: 1,875,000.00

Feel free to contact me at x5216 with any questions.

cc: Bruce McLean Diane Scanga Michele Johnson

# ASSIGNMENT OF SAVINGS ACCOUNT, MONEY MARKET ACCOUNT OR CERTIFICATE OF DEPOSIT

		CERTIFICATE OF DEL	. 0011	Loan Type
				Loan Account Name
				Collateral Account Na
BR #	TYPE#	Date:	January 30, 2006	
mercan grants the number or payab investme renewals account i	TILE-SAFE DEPOSIT AND TREE Bank a security interest in, the 1800 4498  The security interest in the security interest in, the security interest in	undersigned (jointly and severally) UST CO. (herein called the e undersigned's savings more, together with all monies ereof; the term "account" include every kind of the undersigned evide therefore. The undersigned represent shall constitute collateral security the Bank, howsoever evidenced, w	ney market and claims for monies es (without limitation enced by said account nts and warrants that the	ate of deposit account, now and hereinafter du s) all shares, deposit or to any extensions of the present value of said edness and liabilities of
indirect,	absolute, contingent, joint or s	everal.		
name of withdraw and all ritherefor.	the undersigned and notwiths ral, receive and give acquittan ghts and privileges and receive	ocably authorize(s) and empower(s) standing the death, disability or incode for any and all monies and claim e all benefits accorded by said accorded.	apacity of the undersi- ns for monies hereby a int and to execute any	and all instruments requ
to the Ba	nk under Title 9 of the Comm without limitation requests to demands for termination state bigged by the understand and	he contrary in the law permitting elercial Law Article of the Annotated for accounting, requests regarding ements, and demands for releases demands for releases defined by certified mail, retunder MERCANTILE-SAFE DEPOSIT AND 2 Hopkins Plaza 5th Floo	lists of collateral, requot collateral or account receipt requested, to TRUST CO.	nests regarding statement debtors, shall be man
		Baltimore, Maryland 2120 Attn: Commercial Loan Depa	rtment	
with the	requirements of this paragrap the failure to respond to any re	ank shall not be required to respond th, nor shall Bank be liable for, not equest or demand that is not in comp	to any request or demo- its security interest a pliance with the require	ments of this paragraph
the unde undersign withdraw	rsigned is the owner thereof	d warrants that the account is genuif f free and clear of all liens and e rchased or redeemed all or any par of all or any part thereof; and that	rt thereof and there is	no pending applicatio
Witness:			1 /7	
	Care Low	- (SEAL)	W C	(SEAL
	K USE ONLY	Krip	Xson Retrev	nent (SEAL
HOLD/ Rela	ease			(SEAL
Hold place	date _ initials			(SEAL

- initials

Hold Released date

# ASSIGNMENT OF SAVINGS ACCOUNT, MONEY MARKET ACCOUNT OR CERTIFICATE OF DEPOSIT

					Loan Type
				•	Loan Account Name
					Collateral Account Nan
BR #	TYPE #	<b></b>	Date:	January 30, 2006	
mercantill grants the Banumber or payable investments, renewals the account is \$		he undersigned's she undersigned's she received the term "ac every kind of the understherefore. The understherefore.	erein called the savings more more with all monies a count? include dersigned evidents igned represents.	amen'), it is successiney market ⊠ certificand claims for monies is (without limitation enced by said account nts and warrants that the said warrants is the said warrants that the said warrants	ate of deposit account, now and hereinafter du- ns) all shares, deposits t or to any extensions of the present value of said
kind and nat indirect, abso	Assignment is made as an aure of the undersigned to olute, contingent, joint or s	the Bank, howsoeve several.	r evidenced, W	nether now existing o	i nereator arising, direc
name of the withdrawal, and all rights therefor.	undersigned hereby irrev undersigned and notwith receive and give acquittar s and privileges and receiv	standing the death, dea	onies and claimed by said accou	apacity of the unders as for monies hereby ant and to execute any	assigned and to exercise and all instruments requ
to the Bank wi	withstanding anything to tunder Title 9 of the Committhout limitation requests nands for termination stated by the undersigned, an	nercial Law Article of for accounting, requitements, and demand d be delivered by cert MERCANTILE-SAFE	the Annotated ests regarding l is for releases of tified mail, return	lists of collateral, requof collateral or account receipt requested, to TRUST CO.	uests regarding statement debtors, shall be made
		Baltimore,	Maryland 2120	01	
with the required way by, the	undersigned agrees that B uirements of this paragrap failure to respond to any r	Attn: Commer Bank shall not be request, nor shall Bank be equest or demand tha	cial Loan Depa ired to respond e liable for, not t is not in comp	rtment to any request or dem its security interest a liance with the require	ements of this paragraph
The the undersig undersigned withdrawal,	undersigned represents are need is the owner thereo has not withdrawn, repure repurchase or redemption and deliver this Assignment	nd warrants that the a of free and clear of archased or redeemed a of all or any part the	ccount is genuicall liens and e	ne and in all respects neumbrances of any rt thereof and there is	is what it purports to be nature whatsoever; tha s no pending application
Witness:  FOR BANK US HOLD/ Release	Gen Va	(SEAL)	Gri	Kson Cons	- (SEAL Fruction (SEAL
Hold place date	initials				(SEAL
. tota biaso and	;	1			(SEAL

Hold Released date

- initials

# ASSIGNMENT OF SAVINGS ACCOUNT, MONEY MARKET ACCOUNT OR CERTIFICATE OF DEPOSIT

					Loan Type
		•			Loan Account Name
					Collateral Account Nam
BR#	TYPE #	_	Date:	January 30, 2006	
grants numb or pa invest renew	FOR VALUE RECEIVED, the CANTILE-SAFE DEPOSIT AND TO SEE the Bank a security interest in, there . / 68 DD 45 DD apable thereon or in respect the transfer of the security interest of the security and interest of the security interest of the security interest of the security interest of the security is \$ 151,174.00	RUST CO. (herein call he undersigned's savings savings for the term "account" every kind of the undersigned savings for the undersigned saving	lled the mon monies a include d evide represer	"Bank"), it's successoracy market \( \sum \) certificate and claims for monies not be (without limitations) enced by said account onts and warrants that the	e of deposit account, ow and hereinafter due all shares, deposits, or to any extensions of e present value of said
kind a	This Assignment is made as an and nature of the undersigned to act, absolute, contingent, joint or s	the Bank, howsoever evidentseveral.	ced, wi	hether now existing or	nereatter arising, uncc
:411		standing the death, disability nee for any and all monies and each benefits accorded by said	or mea d claim d accou	apacity of the undersign as for monies hereby assent and to execute any an	signed and to exercise and all instruments requ
includ	Notwithstanding anything to to Bank under Title 9 of the Comm ding without limitation requests ant, demands for termination states ag, signed by the undersigned, and	for accounting, requests regatements, and demands for reld be delivered by certified ma MERCANTILE-SAFE DEPOSI	rding leases of the control of the c	ists of collateral, reque of collateral or account in receipt requested, to t TRUST CO.	ests regarding statemer. debtors, shall be mad
		2 Hopkins Plaza 5	<sup>th</sup> Floor		
	***************************************	Baltimore, Marylar			•
with to	The undersigned agrees that B the requirements of this paragrapy, the failure to respond to any re	ph, nor shall Bank be liable to equest or demand that is not in	espond to or, not a compl	to any request or demar its security interest affort liance with the requiren	nents of this paragraph.
under withd	The undersigned represents andersigned is the owner thereousigned has not withdrawn, repurawal, repurchase or redemption ecute and deliver this Assignment	f free and clear of all liens archased or redeemed all or a of all or any part thereof; and	anu ei my nar	t thereof and there is a	no pending application
	ANK USE ONLY Release	(SEAL)	tend	y tood Villac	(SEAL) (SEAL) (SEAL)
Hold pla	ace date _ initials				(SEAL)

Hold Released date

CERTIFICATE OF DEPO	SIT	Loan Type
		Loan Account Name
		Collateral Account Nam
BR # TYPE # Date:	anuary 30, 2006	
FOR VALUE RECEIVED, the undersigned (jointly and severally) her MERCANTILE-SAFE DEPOSIT AND TRUST CO. (herein called the "E grants the Bank a security interest in, the undersigned's savings money number / 6800 4501 , together with all monies and or payable thereon or in respect thereof; the term "account" includes investments, principal and interest of every kind of the undersigned evidence renewals thereof or to any substitutions therefore. The undersigned represents account is \$ 169,856.00  This Assignment is made as and shall constitute collateral security for kind and nature of the undersigned to the Bank, howsoever evidenced, whet	market certificate claims for monies no (without limitations) ed by said account or and warrants that the	of deposit account, ow and hereinafter due all shares, deposits to any extensions o present value of said ness and liabilities of
The undersigned hereby irrevocably authorize(s) and empower(s) the name of the undersigned and notwithstanding the death, disability or incapa withdrawal, receive and give acquittance for any and all monies and claims for any and all rights and privileges and receive all benefits accorded by said account therefor.	for monies hereby assi and to execute any an	igned and to exercise d all instruments requ
Notwithstanding anything to the contrary in the law permitting electrons to the Bank under Title 9 of the Commercial Law Article of the Annotated Commercial Law Artic	s of collateral, request collateral or account receipt requested, to the RUST CO.	ets regarding statement debtors, shall be mad ne Bank at:
with the requirements of this paragraph, nor shall bank be hable for, not less way by the failure to respond to any request or demand that is not in complia	nce with the requirem	ents of this paragraph
The undersigned represents and warrants that the account is genuine the undersigned is the owner thereof free and clear of all liens and encundersigned has not withdrawn, repurchased or redeemed all or any part twithdrawal, repurchase or redemption of all or any part thereof; and that the to execute and deliver this Assignment.	and in all respects is vumbrances of any na hereof and there is n	what it purports to be ture whatsoever; that to pending application
Witness:  (SEAL)  FOR BANK USE ONLY HOLD/ Release  Hold place date initials	DV:Hage	(SEAL
Hold place date initials  Hold Released date initials		(SEAI

### CERTIFICATE OF DEPOSIT

				Loan Type
				Loan Account Name
		•		Collateral Account Name
BR#	TYPE #	Date:	January 30, 2006	
FOR MERCANTIL grants the Ba number or payable investments, renewals ther account is \$	VALUE RECEIVED, the undersigned E-SAFE DEPOSIT AND TRUST CO. In a security interest in, the undersigned by the security interest in, the undersigned by the security interest of every kind reof or to any substitutions therefore. 215,192.00	(herein called the ned's savings montogether with all monies a term "account" include of the undersigned evide. The undersigned representation	ney market certification claims for monies s (without limitation enced by said account that and warrants that the	te of deposit account, now and hereinafter due s) all shares, deposits, or to any extensions or ne present value of said
kind and nati	Assignment is made as and shall conure of the undersigned to the Bank, blute, contingent, joint or several.	howsoever evidenced, wi	deflier flow existing of	Hotomia miswey and
The name of the withdrawal, and all rights therefor.	undersigned hereby irrevocably auth undersigned and notwithstanding the receive and give acquittance for any and privileges and receive all benefi	e death, disability or income and all monies and claim ts accorded by said accou	is for monies hereby a ent and to execute any	ssigned and to exercise and all instruments requ
to the Bank u including wi	vithstanding anything to the contrary under Title 9 of the Commercial Law thout limitation requests for account nands for termination statements, an ed by the undersigned, and be deliver MERCANT.	Article of the Almotated ling, requests regarding l d demands for releases of ed by certified mail, return LE-SAFE DEPOSIT AND	ists of collateral, requot collateral or account receipt requested, to TRUST CO.	nests regarding statement t debtors, shall be mad
		2 Hopkins Plaza 5 <sup>th</sup> Floor		
	I	Baltimore, Maryland 2120	01	
with the requ	undersigned agrees that Bank shall nuirements of this paragraph, nor shall failure to respond to any request or de-	mand that is not in comp	to any request or demaits security interest at liance with the require	ments of this paragraph.
The the undersig undersigned withdrawal,	undersigned represents and warrants med is the owner thereof free and has not withdrawn, repurchased or repurchase or redemption of all or and deliver this Assignment.	that the account is genuitelear of all liens and en	ne and in all respects in neumbrances of any thereof and there is	is what it purports to be; nature whatsoever; that no pending application
Witness:  FOR BANK USI HOLD/ Release	Den Por (SE	Ced	A CACS+VIII	(SEAL)  (SEAL)  (SEAL)
Hold place date	_ initials			(SEAL)
Hold Released da	ate - initials			

### CERTIFICATE OF DEPOSIT

					Loan Type
					Loan Account Name
		·			Collateral Account Nam
BR #	TYPE #	Da	te:	January 30, 2006	
MERCANT grants the lands or payable investment renewals the account is	TLE-SAFE DEPOSIT AND THE Bank a security interest in, the 168004503 ethereon or in respect the sprincipal and interest of the nereof or to any substitutions 162,525.00	together with all mon- tereof; the term "account" incevery kind of the undersigned estherefore. The undersigned representations.	the mor ies ude vide ese	ney market \( \subseteq \text{certificate} \) and claims for monies notes (without limitations) enced by said account onto the and warrants that the	e of deposit account, ow and hereinafter due all shares, deposits, or to any extensions or e present value of said
kind and n indirect, at	nature of the undersigned to osolute, contingent, joint or s	nd shall constitute collateral secu the Bank, howsoever evidenced several.	, w	netner now existing of i	
name of the withdrawa and all right therefor.	ne undersigned and notwith I, receive and give acquittan hts and privileges and receiv	ocably authorize(s) and empower standing the death, disability or ace for any and all monies and c e all benefits accorded by said ac	inc laim	ns for monies hereby assumt and to execute any ar	signed and to exercise and all instruments requ
to the Bank	k under Title 9 of the Comm without limitation requests emands for termination statemed by the undersigned, and	he contrary in the law permitting tercial Law Article of the Annotator accounting, requests regarding tements, and demands for released be delivered by certified mail, and MERCANTILE-SAFE DEPOSIT A 2 Hopkins Plaza 5th F Baltimore, Maryland 2	ng les cetur etur ND loo	lists of collateral, reque of collateral or account rn receipt requested, to the TRUST CO.	sts regarding statemen debtors, shall be mad
with the re	equirements of this paragrap e failure to respond to any re	Attn: Commercial Loan D ank shall not be required to respon, nor shall Bank be liable for, equest or demand that is not in co	ond not omp	to any request or deman its security interest affe bliance with the requirem	nents of this paragraph.
The undersigned withdrawa	ne undersigned represents an	d warrants that the account is get f free and clear of all liens an rchased or redeemed all or any of all or any part thereof; and the	nui de	ine and in all respects is encumbrances of any na rt thereof and there is r	what it purports to be; ature whatsoever; that no pending application
Witness:  FOR BANK U HOLD/ Release		(SEAL)	re	enspring Ville	(SEAL) (SEAL) (SEAL)
Hold place dat	e _ initials				(SEAL)

- initials

Hold Released date

#### CERTIFICATE OF DEPOSIT

		CERTIFICATE OF DEL	OSII	Loan Type
				Loan Account Name
				Collateral Account Nam
BR #	TYPE#	Date:	January 30, 2006	
mercan grants the number or payabl investmen renewals t account is	TILE-SAFE DEPOSIT AND TRUBANK a security interest in, the /6800 4504 let hereon or in respect then the principal and interest of exthereof or to any substitutions to 168,481.00	undersigned's savings more together with all monies areof; the term "account" include very kind of the undersigned evide therefore. The undersigned representations	meank"), it is successorately market of certificate and claims for monies researched by said account onto and warrants that the	te of deposit account, now and hereinafter due of all shares, deposits, or to any extensions or e present value of said
kind and indirect, a	nature of the undersigned to the boolute, contingent, joint or se		nether now existing or	nereatter arising, uncc
name of t withdraws and all rig therefor.	the undersigned and notwithstal, receive and give acquittance this and privileges and receive	cably authorize(s) and empower(s) anding the death, disability or incree for any and all monies and claim all benefits accorded by said account	apacity of the undersigns for monies hereby as and to execute any a	signed and to exercise and all instruments requ
to the Ban	ak under Title 9 of the Commer without limitation requests for demands for termination states igned by the undersigned, and	e contrary in the law permitting electrical Law Article of the Annotated or accounting, requests regarding laments, and demands for releases of the delivered by certified mail, return IERCANTILE-SAFE DEPOSIT AND  2 Hopkins Plaza 5th Floor Baltimore, Maryland 2120	ists of collateral, request collateral or account receipt requested, to TRUST CO.	ests regarding statement debtors, shall be mad
		Attn: Commercial Loan Depar	tment	nd that is not in complis
with the r way by, th	equirements of this paragraph ne failure to respond to any req	hk shall not be required to respond, nor shall Bank be liable for, not uest or demand that is not in comp	its security interest and liance with the requirement	nents of this paragraph.
The under undersign withdraws	he undersigned represents and signed is the owner thereof	warrants that the account is genuing free and clear of all liens and en chased or redeemed all or any parangles of any parangles and that the fall or any part thereof; and that the	ne and in all respects is neumbrances of any not thereof and there is	what it purports to be; ature whatsoever; that no pending application
Witness:			121	1
	Den Lours	(SEAL)	181011100	(SEAL)
FOR BANK HOLD/ Relea		0100	KSDY VHILLY	(SEAL)
Hold place da	te _ initials			(SEAL)
Hold Release	d date - initials			

### CERTIFICATE OF DEPOSIT

		CERTIFICATE OF	DEL OSEE	Loan Type
				Loan Account Name
				Collateral Account Nam
- BR #	TYPE#		Date: January 30, 2006	
mercantil grants the Be number or payable investments, renewals the account is \$	C VALUE RECEIVED, the under the security interest in, the security interest in the security interest in the security interest of every record or to any substitutions the security in the security interest in the security in the security in the security in the security interest in the security in the securit	undersigned's savings together with all treof; the term "account" yery kind of the undersigned herefore. The undersigned	money market ⊠ certimonies and claims for monincludes (without limitated evidenced by said accorepresents and warrants the	ficate of deposit account, ies now and hereinafter due ions) all shares, deposits unt or to any extensions of at the present value of said
kind and natindirect, abs	Assignment is made as and ture of the undersigned to the olute, contingent, joint or severe	ne Bank, howsoever evider veral.	nced, whether now existing	g of noroattor arising, and
name of the withdrawal, and all right therefor.	undersigned hereby irrevoc undersigned and notwithsta receive and give acquittance s and privileges and receive	anding the death, disability e for any and all monies ar all benefits accorded by sai	of incapacity of the unit and claims for monies hereb id account and to execute a	by assigned and to exercise any and all instruments requ
to the Bank including w account, der writing, sign		rcial Law Article of the Amor accounting, requests regments, and demands for rebe delivered by certified materials and the ERCANTILE-SAFE DEPOS  2 Hopkins Plaza  Baltimore, Maryla	arding lists of collateral, releases of collateral or account, return receipt requested IT AND TRUST CO.  5th Floor and 21201	requests regarding statement count debtors, shall be mad l, to the Bank at:
with the req	undersigned agrees that Bar juirements of this paragraph failure to respond to any req	nk shall not be required to r , nor shall Bank be liable : uest or demand that is not i	espond to any request or d for, not its security interes in compliance with the req	uirements of this paragraph.
The the undersigned undersigned withdrawal,	undersigned represents and gned is the owner thereof I has not withdrawn, repurc repurchase or redemption o nd deliver this Assignment.	warrants that the account i	s genuine and in all respects and encumbrances of a any part thereof and there	ets is what it purports to be; ny nature whatsoever; that e is no pending application
Witness:			1	Δ_
	Diei Dan	C (SEAL)		(SEAL
FOR BANK US HOLD/ Release	SE ONLY		Han's Chorce	C (SEAL
Hold place date	_ initials	-		(SEAL
Hold Released d		-		(SEAL

Hold Released date

### CERTIFICATE OF DEPOSIT

				•	Loan Type
					Loan Account Name
					Collateral Account Nam
BR #	TYPE#		Date:	January 30, 2006	
mercantilled grants the Barnumber / corpayable the investments, prenewals there account is \$	principal and interest of eof or to any substitution 39,434.00	the undersigned's, together, together thereof; the term "a f every kind of the uns therefore. The und	herein called the savings mon with all monies account include ndersigned evide ersigned represent	ney market certificand claims for monies (without limitation enced by said account that and warrants that the	ate of deposit account, now and hereinafter due as) all shares, deposits, t or to any extensions of the present value of said
kind and natu indirect, absol	are of the undersigned that, contingent, joint or	o the Bank, howsoev several.	er evidenced, Wi	netner now existing o	tedness and liabilities of r hereafter arising, direc
name of the withdrawal, reand all rights therefor.	undersigned and notwite eceive and give acquitte and privileges and rece	hstanding the death, ance for any and all r ive all benefits accord	disability of inca nonies and claim led by said accou	s for monies hereby and and to execute any	e in its own name or in igned, to demand, apply assigned and to exercise and all instruments requ
to the Bank unincluding with	nder Title 9 of the Com	mercial Law Article ( s for accounting, requatements, and deman and be delivered by ce	or the Annotated uests regarding lads for releases of the control	ists of collateral, required from the collateral or account receipt requested, to TRUST CO.	ons, all requests or demain now or hereinafter in efficients regarding statement debtors, shall be mad the Bank at:
		Baltimore	, Maryland 2120	1	
with the requ	irements of this paragrailure to respond to any	Bank shall not be req aph, nor shall Bank b request or demand th	at is not in comp	to any request or dem its security interest a liance with the require	and that is not in complicated or diminished in the ements of this paragraph.
The undersignundersigned l	andersigned represents and is the owner there	and warrants that the of free and clear of urchased or redeeme n of all or any part the	account is genuinally all liens and end	ne and in all respects neumbrances of any t thereof and there is	is what it purports to be; nature whatsoever; that s no pending application all power, right and author
Witness:				4-00-1	
	Den to	(SBAL)		W ( 1.11)	(SEAL)
FOR BANK USE HOLD/ Release	ONLY		TOX	Kun Villag	(SEAL)
Hold place date	_ initials				(SEAL)
Hold Released date	e - initials	•			

Hold Released date

CERTIFICATE OF DEPOSIT

		CERTIFICATE OF	i ayaza	Obli	Loan Type
					Loan Account Name
					Collateral Account Nam
RR#	TYPE#		Date:	January 30, 2006	
FOR MERCANTIL grants the Banumber or payable investments, renewals the account is \$	VALUE RECEIVED, the LE-SAFE DEPOSIT AND TRank a security interest in, the LS DO 4507 thereon or in respect the principal and interest of except or to any substitutions 25,173.00	e undersigned's savings together with all sereof; the term "account" every kind of the undersigned therefore. The undersigned	monies a include ed evide represer	ey market certificated claims for monies (without limitation enced by said account ats and warrants that the	ate of deposit account, now and hereinafter due as) all shares, deposits, or to any extensions of the present value of said
kind and nat	ture of the undersigned to object, contingent, joint or s	nd shall constitute collateral state Bank, howsoever evidence everal.	nceu, wi	lettlet 110 % existing e	
name of the withdrawal, and all right	undersigned and notwiths receive and give acquittan s and privileges and receive	ocably authorize(s) and emportanding the death, disability one for any and all monies are all benefits accorded by sa	nd claim	is for monies hereby and and to execute any	assigned and to exercise and all instruments requ
to the Bank including w	under Title 9 of the Comm ithout limitation requests 1 mands for termination state	ne contrary in the law permi- ercial Law Article of the An for accounting, requests reg ements, and demands for re I be delivered by certified m MERCANTILE-SAFE DEPOS 2 Hopkins Plaza	arding leleases of ail, return AND	ists of collateral, requested, to the transfer of collateral or account receipt requested, to transfer of the transfer of tran	uests regarding statemen nt debtors, shall be mad
		Baltimore, Maryla	nd 2120	)1	
with the req	uirements of this paragrap	Attn: Commercial Loank shall not be required to sh, nor shall Bank be liable equest or demand that is not	n Departespond for, not in comp	rtment to any request or dem its security interest a liance with the requir	ements of this paragraph.
The the undersigundersigned withdrawal,	undersigned represents an gned is the owner thereof	d warrants that the account f free and clear of all lien rchased or redeemed all or of all or any part thereof; a	is genui s and e	ne and in all respects neumbrances of any	nature whatsoever; that s no pending application
Witness:  FOR BANK US HOLD/ Release		- (SEAL)	Lànd	en onds	(SEAL) (SEAL) (SEAL)
Hold place date	_ initials				(SEAL)
HOLD/ Release	_ initials		NI IU	LI JUPILA	(SEAL)

#### CERTIFICATE OF DEPOSIT

		CERTIFICATE OF	<i>D D I</i>		Loan Type
					Loan Account Name
					Collateral Account Nam-
BR #	TYPE #		Date:	January 30, 2006	
MERCAN grants the number or payab investment renewals account is	OR VALUE RECEIVED, the TILE-SAFE DEPOSIT AND TRUE Bank a security interest in, the 16804508 le thereon or in respect the thereof or to any substitutions is 104,080.00	UST CO. (herein calle undersigned's savings savings , together with all mereof; the term "account" in the undersigned therefore. The undersigned records the savings of the undersigned records of the undersigned	led the mon monies a include devide epreser	meank"), it's successorey market octification claims for monies is (without limitations) cheed by said account ints and warrants that the	te of deposit account, now and hereinafter due s) all shares, deposits, or to any extensions or ne present value of said
kind and indirect, a	this Assignment is made as and nature of the undersigned to the absolute, contingent, joint or se	the Bank, howsoever evidence veral.	cea, wr	nether now existing of	noroates arising, and
name of withdraw and all rightherefor.	the undersigned hereby irrevo- the undersigned and notwithst al, receive and give acquittance that and privileges and receive	tanding the death, disability be for any and all monies and all benefits accorded by said	or mea d claim d accou	is for monies hereby a not and to execute any	ssigned and to exercise and all instruments requ
to the Bar	Notwithstanding anything to the half under Title 9 of the Comme without limitation requests for termination state igned by the undersigned, and	or accounting, requests regar or accounting, requests regar ements, and demands for relute be delivered by certified mander MERCANTILE-SAFE DEPOSI	otated rding leases of the control o	ists of collateral, requot collateral or account receipt requested, to TRUST CO.	nests regarding statemer at debtors, shall be mad
		2 Hopkins Plaza 5			
		Baltimore, Marylar Attn: Commercial Loar	Dena	rtment	
with the	The undersigned agrees that Ba requirements of this paragraph he failure to respond to any re-	mk shall not be required to re h, nor shall Bank be liable f quest or demand that is not in	espond or, not a comp	to any request or demo its security interest at liance with the require	ments of this paragraph.
the unde undersign withdraw	The undersigned represents and resigned is the owner thereof ned has not withdrawn, repured, repurchase or redemption of and deliver this Assignment.	d warrants that the account is free and clear of all liens chased or redeemed all or a of all or any part thereof; and	genuing and en	ne and in all respects in neumbrances of any there of and there is	s what it purports to be; nature whatsoever; that no pending application
Witness:			<del>\</del>	mark!	(SEAL)
	da forma	(SEAL)	<del>/                                    </del>	- W/( \_ \_ \)	
FOR BANK HOLD/ Rele	USE ONLY	_	Kaa	185 trace	(SEAL)
I TOLON ROLL		_	<u> </u>	)	(SEAL)
Hold place d	ate _ initials				(SEAL

Hold Released date . - initials

### CERTIFICATE OF DEPOSIT

					Loan Type
					Loan Account Name
					Collateral Account Nam
BR#	TYPE#		Date:	January 30, 2006	
mercantill grants the Barnumber / // or payable to investments, renewals there account is \$		of; the term "account" ery kind of the undersigned are refore. The undersigned	monies a include de represent	ney market \( \subseteq \text{certifications} \) and claims for monies is (without limitation enced by said account that and warrants that the	ate of deposit account, now and hereinafter due s) all shares, deposits, or to any extensions of the present value of said
kind and natu indirect, abso	Assignment is made as and are of the undersigned to the lute, contingent, joint or sev	e Bank, howsoever evide eral.	encea, wi	nether now existing of	i iloicultor uribing, and
name of the withdrawal, r and all rights therefor.	undersigned hereby irrevoca undersigned and notwithsta ecceive and give acquittance and privileges and receive a	nding the death, disability for any and all monies a lill benefits accorded by so	nd claim aid accou	is for monies hereby a ant and to execute any	and all instruments requ
to the Bank u including wit	rithstanding anything to the under Title 9 of the Commerce thout limitation requests for nands for termination statemed by the undersigned, and b	cial Law Article of the Article of t	nnotated garding leleases of nail, returnally SIT AND	lists of collateral, requested, to transfer to the collateral or account receipt requested, to transfer to transfe	nests regarding statemer at debtors, shall be mad
	<del></del>	Baltimore, Maryl	and 2120	)1	
		Attn: Commercial Lo	an Dena	rtment	
with the requ	undersigned agrees that Ban hirements of this paragraph, ailure to respond to any requ	k shall not be required to nor shall Bank be liable nest or demand that is not	respond for, not in comp	to any request or dem its security interest a liance with the require	ements of this paragraph.
The to the undersign undersigned withdrawal, r	undersigned represents and a ned is the owner thereof f has not withdrawn, repurch repurchase or redemption of d deliver this Assignment.	warrants that the account free and clear of all lies	is genuins and e	ne and in all respects: neumbrances of any t thereof and there is	is what it purports to be; nature whatsoever; that is no pending application
Witness:				1	
	Ber Don	(SEAL)		1	(SEAL)
FOR BANK USE HOLD/ Release	ONLY		Sed	gebrook	(SEAL)
	_			J	(SEAL)
Hold place date	_ initials	·			(SEAL)
Hold Released da	te initials				

### CERTIFICATE OF DEPOSIT

					Loan Type
				·	Loan Account Name
					Collateral Account Nam
BR#	TYPE #		Date:	January 30, 2006	
mercany grants the number or payabl investmen renewals t account is	TILE-SAFE DEPOSIT AN Bank a security interest /68 00 45/0 e thereon or in respects, principal and intereshereof or to any substitute \$ 200,601.00	in, the undersigned's significant signs of the undersigned signs of the	erein called the savings mon mon monies a count" included dersigned evide ersigned represer	ey market certific and claims for monies (without limitation need by said accounts and warrants that the	ate of deposit account, now and hereinafter due as) all shares, deposits t or to any extensions of the present value of said
kind and a	nature of the undersigne bsolute, contingent, join	as and shall constitute coed to the Bank, howsoeve t or several.	er evidenced, wr	ether now existing c	i licitation attemps, and
name of the withdrawa and all right therefor.	he undersigned and not al, receive and give acqual hts and privileges and re	irrevocably authorize(s) a withstanding the death, o uittance for any and all m eceive all benefits accorde	onies and claimed by said accou	s for monies hereby nt and to execute any	assigned and to exercise and all instruments requ
to the Ban	k under Title 9 of the C without limitation requ	g to the contrary in the lar ommercial Law Article of ests for accounting, requ a statements, and demand d, and be delivered by cert MERCANTILE-SAFE	ests regarding lists for releases of tified mail, return DEPOSIT AND	ists of collateral, required for collateral or account receipt requested, the transfer of transfer	uests regarding statemer nt debtors, shall be mad
		2 Hopkin	s Plaza 5 <sup>th</sup> Floor	· · · · · · · · · · · · · · · · · · ·	
•		Baltimore,	Maryland 2120 cial Loan Depar	tment	
with the r	equirements of this para ne failure to respond to a	nat Bank shall not be requagraph, nor shall Bank be agraph to shall Bank be any request or demand tha	ired to respond to liable for, not to is not in complete.	to any request or dem its security interest a liance with the requir	ements of this paragraph.
the under undersign withdrawa	he undersigned represensigned is the owner the	ats and warrants that the a hereof free and clear of repurchased or redeemed option of all or any part the	ccount is genuit all liens and en	ne and in all respects neumbrances of any t thereof and there i	is what it purports to be; nature whatsoever; that s no pending application
Witness:			\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	1 all	
	Oeu  -	OUT (SEAL)			(SEAL)
FOR BANK HOLD/ Relea			Cha	restown	(SEAL)
Hold place da	nte _ initials	_			(SEAL)
Hold Release	d date - initials				(OZA) ELO

##A#01 PIDIT 02/01

### CERTIFICATE OF DEPOSIT

renewals thereof or to any substitutions therefore. The undersigned represents and wariants that the present renewals thereof or to any substitutions therefore. The undersigned represents and wariants that the present represents and wariants that the present request or being with the requirements of this paragraph, nor shall bank shall not be required to respond to any request or the undersigned agrees that Bank shall not be required to respond to any request or demand that is not in compliance with the requirements of this paragraph.  The undersigned agrees that Bank shall not be required to respond to any request or demand that is not in compliance with the requirements of this paragraph, nor shall Bank be liable for, not its security interest affected or demandation that the requirements of this paragraph, nor shall Bank be liable for, not its security interest affected or diminished in way by, the failure to respond to any request or demand that is not in compliance with the requirements of this paragraph, nor shall Bank be liable for, not its security interest affected or diminished in way by, the failure to respond to any request or demand that is not in compliance with the requirements of this paragraph, nor shall Bank be liable for, not its security interest affected or diminished in way by, the failure to respond to any request or demand that is not in compliance with the requirements of this paragraph, nor shall Bank be liable for, not its security interest affected or diminished in way by, the failure to respond to any request or demand that is not in compliance with the requirements of this paragraph.  The undersigned represents and warrants that the account is genuine and in all respects is what it purports to be; the undersigned has not withdrawn, repurchased or redeemed all or any part thereof and there is no pending application withdrawn, repurchased or redeemed all or any part thereof and there is no pending application.  Witness:			, LICITE O			Loan Type
FOR VALUE RECEIVED, the undersigned (jointly and severally) hereby assign(s), set(s) over and transfers to MERCANTILE-SAPE DEPOSIT AND TRUST CO. (herein called the "Bank"), it's successors and assigns, and grants the Bank a security interest in, the undersigned s savings money market county interest of deposit account, number						Loan Account Name
FOR VALUE RECEIVED, the undersigned (jointly and severally) hereby assign(s), set(s) over and transfers to MERCANTILE-SAFE DEPOSIT AND TRUST CO. (herein called the "Bank"), it's successors and assigns, and grants the Bank a security interest in, the undersigned's serving monies and claims for monies now and hereinafter dure or payable thereon or in respect thereof; the term "account" includes (without limitations) all shares, deposits investments, principal and interest of every kind of the undersigned evidenced by said account to any extensions or innewals thereof or to any substitutions therefore. The undersigned represents and warrants that the present value of said account is \$ 126,251.00  This Assignment is made as and shall constitute collateral security for any and all indebtedness and liabilities of kind and nature of the undersigned to the Bank, howsoever evidenced, whether now existing or hereafter arising, direct indirect, absolute, contingent, joint or several.  The undersigned hereby irrevocably authorize(s) and empower(s) the Bank at any time in its own name or in name of the undersigned and notwithstanding the death, disability or incapacity of the undersigned, to demand, apply withdrawal, receive and give acquitance for any and all monies and claims for monies hereby assigned and to exercise and all rights and privileges and receive all benefits accorded by said account and to execute any and all instruments reduced to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in efincluding without limitation requests for accounting, requests regarding lists of collateral, requests regarding statement including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statement account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made account, demands for termination statements, and demands for releases of collateral or account debtors, shal						Collateral Account Nam
MERCANTILE-SAFE DEPOSIT AND TRUST CO. (herein called the "Bank"), it's successors assigns, and grants the Bank a security interest in, the undersigned's   savings   money market   certificate of deposit account, number   4800 451 . The trust of the term "account" includes (without limitations) all shares, deposits investments, principal and interest of every kind of the undersigned evidenced by said account or to any extensions or renewals thereof or to any substitutions therefore. The undersigned evidenced by said account or to any extensions or renewals thereof or to any substitutions therefore. The undersigned represents and warrants that the present value of said account is \$ 126,251.00  This Assignment is made as and shall constitute collateral security for any and all indebtedness and liabilities of kind and nature of the undersigned to the Bank, howsoever evidenced, whether now existing or hereafter arising, directind and indepted to the Bank, howsoever evidenced, whether now existing or hereafter arising, directind and indepted to the Bank at any time in its own name or in name of the undersigned and notwithstanding the death, disability or incapacity of the undersigned, to demand, apply withdrawal, receive and give acquittance for any and all monies and claims for monies hereby assigned and to exercise and all rights and privileges and receive all benefits accorded by said account and to execute any and all instruments requester for the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in efficiently into the same properties of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in efficiently into the same properties of the same properties of the same account, demands for termination statements, and demands for releases of collateral, requester grading statement account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made writing, signed by the undersigned ag	BR #	TYPE#		Date:	January 30, 2006	
kind and nature of the undersigned to the Bank, howsoever evidenced, whether now existing to heterical artificial indirect, absolute, contingent, joint or several.  The undersigned hereby irrevocably authorize(s) and empower(s) the Bank at any time in its own name or in name of the undersigned and notwithstanding the death, disability or incapacity of the undersigned, to demand, apply withdrawal, receive and give acquittance for any and all monies and claims for monies hereby assigned and to exercise and all rights and privileges and receive all benefits accorded by said account and to execute any and all instruments requence to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in efficient to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in efficient to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in efficient to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in efficient to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in efficient to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in efficient to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in efficient to the Bank undersigned by the undersigned agrees that Bank shall not be required to respond to any request or demand that is not in Compliance with the requirements of this paragraph, nor shall Bank be liable for, not its security interest affected or diminished in way by, the failure to respond to any request or demand that is not in compliance with the requirements of this paragraph.  The undersigned represents and warrants that the account is genuine and in all respects is what it purports to be; the undersigned has not	MERCANTILI grants the Bar number // or payable ti investments, renewals there account is \$	E-SAFE DEPOSIT AND TRUST nk a security interest in, the un (8004511 hereon or in respect thereon principal and interest of every eof or to any substitutions there 126,251.00	dersigned's savings together with all together w	Illed the mon monies a included evide represer	ey market certificated certificated claims for monies (without limitation need by said account and warrants that the	te of deposit account, now and hereinafter due s) all shares, deposits or to any extensions on the present value of said
name of the undersigned and notwithstanding the death, disability of incapacity of methods and give acquittance for any and all monies and claims for monies hereby assigned and to exercise and all rights and privileges and receive all benefits accorded by said account and to execute any and all instruments required therefor.  Notwithstanding anything to the contrary in the law permitting electronic communications, all requests or demit to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in efficient including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statements, and demands for releases of collateral or account debtors, shall be made writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:    MERCANTILE-SAFE DEPOSIT AND TRUST CO.	kind and natu indirect, abso	are of the undersigned to the latte, contingent, joint or sever	Bank, howsoever evider al.	nced, wh	etner now existing of	nercator misnig, unoc
to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Manyland, as thought including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statement account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:    MERCANTILE-SAFE DEPOSIT AND TRUST CO.	name of the withdrawal, r and all rights therefor.	undersigned and notwithstand receive and give acquittance for and privileges and receive all	ling the death, disability or any and all monies at benefits accorded by sa	or meand claim	s for monies hereby a nt and to execute any	ssigned and to exercise and all instruments requ
Baltimore, Maryland 21201  Attn: Commercial Loan Department  The undersigned agrees that Bank shall not be required to respond to any request or demand that is not in compli with the requirements of this paragraph, nor shall Bank be liable for, not its security interest affected or diminished in way by, the failure to respond to any request or demand that is not in compliance with the requirements of this paragraph.  The undersigned represents and warrants that the account is genuine and in all respects is what it purports to be; the undersigned is the owner thereof free and clear of all liens and encumbrances of any nature whatsoever; that undersigned has not withdrawn, repurchased or redeemed all or any part thereof and there is no pending application withdrawal, repurchase or redemption of all or any part thereof; and that the undersigned has full power, right and auth to execute and deliver this Assignment.  Witness:    FOR BANK USE ONLY   HOLD/ Release   Initials   Initi	to the Bank u including wit	nder Title 9 of the Commercial thout limitation requests for a lands for termination statement by the undersigned, and be	al Law Article of the Anaccounting, requests regents, and demands for redelivered by certified mandards.	arding li eleases o ail, retur	ists of collateral, request of collateral or account neceipt requested, to TRUST CO.	nests regarding statement the debtors, shall be made
Attn: Commercial Loan Department  The undersigned agrees that Bank shall not be required to respond to any request or demand that is not in compliance with the requirements of this paragraph, nor shall Bank be liable for, not its security interest affected or diminished in way by, the failure to respond to any request or demand that is not in compliance with the requirements of this paragraph.  The undersigned represents and warrants that the account is genuine and in all respects is what it purports to be; the undersigned is the owner thereof free and clear of all liens and encumbrances of any nature whatsoever; that undersigned has not withdrawn, repurchased or redeemed all or any part thereof and there is no pending application withdrawal, repurchase or redemption of all or any part thereof; and that the undersigned has full power, right and auth to execute and deliver this Assignment.  Witness:  Witness:  (SEAL)  (SEAL)  (SEAL)  (SEAL)						
The undersigned agrees that Bank shall not be required to respond to any request or demand that is not in compli with the requirements of this paragraph, nor shall Bank be liable for, not its security interest affected or diminished in way by, the failure to respond to any request or demand that is not in compliance with the requirements of this paragraph.  The undersigned represents and warrants that the account is genuine and in all respects is what it purports to be; the undersigned is the owner thereof free and clear of all liens and encumbrances of any nature whatsoever; that undersigned has not withdrawn, repurchased or redeemed all or any part thereof and there is no pending application withdrawal, repurchase or redemption of all or any part thereof; and that the undersigned has full power, right and auth to execute and deliver this Assignment.  Witness:  (SEAL)  Witness:  (SEAL)  (SEAL)  (SEAL)			Attn: Commercial Los	n Denar	tment	
The undersigned represents and warrants that the account is genuine and in all respects is what if purports to be; the undersigned is the owner thereof free and clear of all liens and encumbrances of any nature whatsoever; that undersigned has not withdrawn, repurchased or redeemed all or any part thereof and there is no pending application withdrawal, repurchase or redemption of all or any part thereof; and that the undersigned has full power, right and auth to execute and deliver this Assignment.  Witness:  (SEAL)  FOR BANK USE ONLY HOLD/ Release  (SEAL)  (SEAL)  (SEAL)	with the requ	airements of this paragraph, no ailure to respond to any reques	shall not be required to not shall Bank be liable st or demand that is not	espond to for, not in compl	to any request or dema its security interest at liance with the require	ments of this paragraph.
FOR BANK USE ONLY HOLD/ Release  (SEAL)  (SEAL)  (SEAL)	The undersign undersigned withdrawal, r	undersigned represents and wa ned is the owner thereof fre has not withdrawn, repurchas repurchase or redemption of a	e and clear of all lien	is genuir s and er	ne and in all respects in accumbrances of any to thereof and there is	s what it purports to be; nature whatsoever; that no pending application
FOR BANK USE ONLY HOLD/ Release  (SEAL)  (SEAL)	Witness:	X-1)		<b>─</b> ₩	Jall .	, (SFAT)
TX-14-1	FOR BANK USE HOLD/ Release	ONLY I-OUNC	(SEAL)	Rid	erwood V	Mage (SEAL)
(SEAL	Hold place date	_ initials				(SEAL

- initials

Hold Released date

# ASSIGNMENT OF SAVINGS ACCOUNT, MONEY MARKET ACCOUNT OR CERTIFICATE OF DEPOSIT

	Loan Type
·	Loan Account Name
	Collateral Account Nan
BR # TYPE # Date:	January 30, 2006
FOR VALUE RECEIVED, the undersigned (jointly and severally) he MERCANTILE-SAFE DEPOSIT AND TRUST CO. (herein called the "grants the Bank a security interest in, the undersigned's savings money number //o 8 00 45/2, together with all monies and or payable thereon or in respect thereof; the term "account" includes investments, principal and interest of every kind of the undersigned evidence renewals thereof or to any substitutions therefore. The undersigned represents account is \$ 131,150.00	Bank"), it's successors and assigns, and market account, d claims for monies now and hereinafter du (without limitations) all shares, deposits sed by said account or to any extensions o
This Assignment is made as and shall constitute collateral security fo kind and nature of the undersigned to the Bank, howsoever evidenced, when indirect, absolute, contingent, joint or several.	r any and all indebtedness and liabilities of ther now existing or hereafter arising, direc
The undersigned hereby irrevocably authorize(s) and empower(s) the name of the undersigned and notwithstanding the death, disability or incapa withdrawal, receive and give acquittance for any and all monies and claims and all rights and privileges and receive all benefits accorded by said account therefor.	acity of the undersigned, to demand, apply for monies hereby assigned and to exercise
Notwithstanding anything to the contrary in the law permitting elect to the Bank under Title 9 of the Commercial Law Article of the Annotated Coincluding without limitation requests for accounting, requests regarding list account, demands for termination statements, and demands for releases of writing, signed by the undersigned, and be delivered by certified mail, return to MERCANTILE-SAFE DEPOSIT AND TRADE TRA	ode of Maryland, as now or hereinafter in efficiency of collateral, requests regarding statement collateral or account debtors, shall be mad receipt requested, to the Bank at:
Baltimore, Maryland 21201 Attn: Commercial Loan Departm	
The undersigned agrees that Bank shall not be required to respond to with the requirements of this paragraph, nor shall Bank be liable for, not its way by, the failure to respond to any request or demand that is not in compliant	any request or demand that is not in compliance security interest affected or diminished in
The undersigned represents and warrants that the account is genuine at the undersigned is the owner thereof free and clear of all liens and encuundersigned has not withdrawn, repurchased or redeemed all or any part the withdrawal, repurchase or redemption of all or any part thereof; and that the to execute and deliver this Assignment.	imbrances of any nature whatsoever; that nereof and there is no pending application
Witness:	
Dies (SEAL)	(SEAL)
FOR BANK USE ONLY HOLD/ Release	restrillage (SEAL)
Hold place date _ initials	O (SEAL)
Hold Released date - initials	(SEAL)

PNC Bank, National Association Trade Service Operations 500 First Avenue - 3rd Floor Pittsburgh, PA 15219 Mail stop: P7-PFSC-03-T

Customer Service: 1-800-682-4689 SWIFT Address: PNCCUS33



TRACER DATE: DECEMBER 30, 2009

ERICKSON RETIREMENT COMMUNITIES LLC MAIL STOP 101 P.O. BOX 22000 CATONSVILLE, MD 21228

#### STATEMENT OF LETTERS OF CREDIT PAST DUE FEES AND COMMISSIONS

OUR REFERENCE:

18106392-00-000

APPLICANT: ERICKSON RETIREMENT COMMUNITIES LLC

BENEFICIARY:

ZURICH AMERICAN INSURANCE

THE FOLLOWING FEES ARE NOW PAST DUE FOR THE BELOW LISTED LETTER OF CREDIT:

18106392-00-000:

09/30/2009

STANDBY COMMISSION

BILLING PERIOD:

07/01/2009 09/30/2009

DAYS

TRUOMA \$1,875,000.00 RATE 1.00

COMMISSION

\$4,791.67

TOTAL AMOUNT DUE:

\$4,791.67

PLEASE SEND YOUR REMITTANCE BY OFFICIAL CHECK PAYABLE TO PNC BANK, NATIONAL ASSOCIATION, INCLUDING OUR REFERENCE NUMBER AS IT APPEARS ABOVE. PLEASE ATTACH A COPY OF THIS ADVICE TO YOUR REMITTANCE AND FORWARD IT TO:

PNC BANK NATIONAL ASSOCIATION FIRST SIDE CENTER 500 FIRST AVENUE, 3RD FLOOR P7-PFSC-03-T PITTSBURGH, PA 15219

SEND YOUR REMITTANCE BY WIRE TRANSFER TO PNC BANK N.A., PITTSBURGH, PA ABA NUMBER 043000096 FOR CREDIT TO ACCOUNT NUMBER 1017238669 ATTN: TRADE SERVICE OPERATIONS, PITTSBURGH, PA UNDER ADVICE TO US QUOTING OUR REFERENCE AS IT APPEARS ABOVE.

SHOULD YOU REQUIRE ANY ASSISTANCE, PLEASE CONTACT GLOBAL TRADE SERVICE OPERATIONS AS SHOWN ABOVE. WHEN REFERRING TO THIS TRANSACTION, REMEMBER TO QUOTE OUR REFERENCE NUMBER.

PNC Bank, National Association Trade Service Operations 500 First Avenue - 3rd Floor Pittsburgh, PA 15219 Mail stop: P7-PFSC-03-T

Customer Service: 1-800-682-4689 SWIFT Address: PNCCUS33



DATE: DECEMBER 31, 2009

ERICKOSN RETIREMENT COMMUNITIES MAIL STOP 101 P.O. BOX 22000 CATONSVILLE, MD 21228

#### ACCOUNTS RECEIVABLE ADVICE

OUR REFERENCE:

18106392-00-000

APPLICANT: BENEFICIARY:

ERICKSON RETIREMENT COMMUNITIES LLC

ZURICH AMERICAN INSURANCE

THE FOLLOWING FEES ARE NOW DUE:

STANDBY COMMISSION

BILLING PERIOD: DAYS BASIS AMOUNT 10/01/2009 12/31/2009 92 1,875,000.00

RATE 1.00% FEE AMOUNT 4,791.67

\$4,791.67

TOTAL AMOUNT DUE:

\$4,791.67

PLEASE SEND YOUR REMITTANCE BY CHECK PAYABLE TO PNC BANK, NATIONAL ASSOCIATION, INCLUDING OUR REFERENCE NUMBER AS IT APPEARS ABOVE. PLEASE ATTACH A COPY OF THIS ADVICE TO YOUR REMITTANCE AND FORWARD IT

PNC BANK NATIONAL ASSOCIATION 500 FIRST AVENUE TRADE SERVICE OPERATIONS, 3RD FLOOR PITTSBURGH, PA 15219

OR

SETTLEMENT CAN BE MADE VIA FEDWIRE TRANSFER TO PNC BANK N.A. FEDERAL RESERVE OF PITTSBURGH ABA 043000096, ACCOUNT 1017238669 ATTN: TRADE SERVICE OPERATIONS, PITTSBURGH, PA UNDER ADVICE TO US QUOTING OUR REFERENCE AS IT APPEARS ABOVE.

\*\* IN THE EVENT THIS INVOICE IS NOT PAID WITHIN 30 DAYS, A TRACER FEE WILL BE INCURRED.

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

BANK 40 CI15 2 IDS CDA/REA CUSTO	MER INQUIRY 02/16/10 14.19.03 ACTION SUCCESSFUL BRANCH 00411 COST CENTER 0005592
ACCT> 6030 PROD> CDA B CUSTOMER NUMBER 3600132166 SUBPRDCT 01	
	5 CORPORATION
NAME ERICKSON RETIREMENT COMM LLC	RELATIONSHIP JOI
& 701 MAIDEN CHOICE LN	TIN 52-2003375
ADDR BALTIMORE MD 21228-5968	WTHLD CD PC CERTIFIED TIN
	DATE WTHLD CERT 01/23/2008
	BIRTH DATE
	LAST MAINT DATE 01/23/2008
	REA PLAN
	PACKAGE CD ADDED
COUNTRY	REMOVED
SEL SUB ACCOUNT RST ISS/RENEW MATURES F	
01 3068 Y 03/24/2009 03/24/2010	1.21 1,294,020.94 99
01 6030 Y 02/06/2010 08/06/2010	.25 1,875,000.00 99
01 3111 Y 10/31/2009 04/30/2010	.30 1,500,000.00 99
TOTAL	3 4,669,020.94

PF: 1-HELP 2-MSGS 3-PLVL 4-RRS 6-CIF 7-SB 8-SF 9-CI34 10-CI10 11-CI11 12-CI50

## REDACTED

Date: 02/16/2010 Time: 2:19:06 PM

CI10 3 IDS CDA	/REA FINANCIAL INQUIRY 02/17/10 10.20.31
BANK 40	MS ACTION SUCCESSFUL
	OD> CDA BRANCH 00411 COST CENTER 0005592
	BPRDCT 01 FIXED RATE
	BOWNER 05 CORPORATION
THE MALE OF THE PROPERTY OF TH	
ORIGINAL PURCHASE 1,875,00	0.00 ISSUED 02/06/2010 STAT 99 ACTIVE
	MATURE 08/06/2010 TERM 6 M
CURRENT BALANCE 1,875,00	· ·
ASSIGNMENTS/PLEDGES 1,875,00	
	LAST REA RATE CHANGE
INT ACCRUED TO 02/17/2010 14	1.27 PYMT METHOD TT TRNFER TO THIRD PARTY
	.6.44 PYMT FREQ IM MONTHLY FROM ISSUE
W/H CODE PC LAST INT W/H	INT ACCT# DDA 40 5501339099
·	3.43 MAIL CODE 01 REGULAR MAIL
INTEREST WITHHELD YTD	AIP STAT N AIP GEN DATE
	11.25 AIP PAYMENT AMT
	AIP NEXT INT PYMT DATE 03/06/10
INTEREST WHLD LAST YR	
	.6.44 AIP NEXT INT AMT
FEATURE	3/14/2009 REDEFINED TYPE
	7, 2.1, 2.00
CLOSED LAST MAINT 09	9/14/2009 BR/CC XFR

PF: 1-HELP 2-MSGS 3-PLVL 9-CI34 10-CI50 11-CI11 12-CI15

## REDACTED

Date: 02/17/2010 Time: 10:20:33 AM

## EXHIBIT 4

PNC Bank, National Association Swift: PNCCUS33 141271 Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T

Telephone: 1-800-682-4689

Carlotter Car

**PNCBANK** 

DATE: MARCH 26, 2009

BENEFICIARY:

PENNSYLVANIA MANUFACTURERS'

ASSOCIATION INSURANCE COMPANY

SEE ADDRESS BELOW

BLUE BELL PA 19422

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

991 CORPORATE BLVD

LINTHICUM HEIGHTS, MD 21090

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: AMENDMENT NUMBER: 18106690-00-000

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18106690-00-000 AS FOLLOWS:

all he hoe which

THE AMOUNT IS DECREASED BY: USD \$80,000.00 TOTAL LIABILITY AMOUNT NOW TO READ: USD \$220,000.00

BENEFICIARY'S FULL NAME AND ADDRESS:

PENNSYLVANIA MANUFACTURERS' ASSOCIATION INSURANCE COMPANY PENNSYLVANIA MANUFACTURERS INDEMNITY COMPANY MANUFACTURERS ALLIANCE INSURANCE COMPANY (JOINTLY AND SEVERALLY, AS THE BENEFICIARIES) 380 SENTRY PARKWAY BLUE BELL, PA 19422-2328

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS (AND )

Page 1 of 1

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18106690-00-000

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PNC Bank, National Association
Trade Service Operations
3rd Floor
500 First Avenue
Pittsburgh, PA 15219

Mail Stop: P7-PFSC-03-T

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1960-977 1960-977 1871-187

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1 (18 f) 1 (19 f) 1 (19 f) 1 (19 f) Swift: PNCCUS33

~phone: 1-800-682-4689



PARTY DATE: NOVEMBER 14, 2008

PENNSYLVANIA MANUFACTURERS'
ASSOCIATION INSURANCE COMPANY
SEE ADDRESS BELOW
BLUE BELL PA 19422

#### NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:

18106690-00-000

TRANSACTION NUMBER:

3

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106690-00-000 HAS BEEN EXTENDED TO MARCH 10, 2010.

THIS IS NOT TO BE CONSIDERED AS AN AMENDMENT TO THE LETTER OF CREDIT.
THIS IS FOR INFORMATION PURPOSES ONLY.

PNC BANK, NATIONAL ASSOCIATION
GLOBAL TRADE SERVICE OPERATIONS

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

not sent to sero.

PNC Bank, National Association —— Swift: PNCCUS33

Trade Service Operations

Telephone: 1-800-682-4689

3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T

**PNCBANK** 

DATE: APRIL 09, 2008

BENEFICIARY:

PENNSYLVANIA MANUFACTURERS'

ASSOCIATION INSURANCE COMPANY

SEE ADDRESS BELOW

BLUE BELL PA 19422

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

991 CORPORATE BLVD

LINTHICUM HEIGHTS, MD 21090

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:

18106690-00-000

•

AMENDMENT NUMBER:

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18106690-00-000 AS FOLLOWS:

THE AMOUNT IS DECREASED BY: USD \$200,000.00 TOTAL LIABILITY AMOUNT NOW TO READ: USD \$300,000.00

BENEFICIARY'S FULL NAME AND ADDRESS:

PENNSYLVANIA MANUFACTURERS ASSOCIATION
INSURANCE COMPANY
PENNSYLVANIA MANUFACTURERS INDEMNITY COMPANY
MANUFACTURERS ALLIANCE INSURANCE COMPANY
(JOINTLY AND SEVERALLY, AS THE BENEFICIARIES)
380 SENTRY PARKWAY
BLUE BELL, PA 19422-2328

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

Page 1 of 1

18106690-00-000

DATE: DECEMBER 03, 2007

PENNSYLVANIA MANUFACTURERS' ASSOCIATION INSURANCE COMPANY SEE ADDRESS BELOW BLUE BELL PA 19422

#### NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:

18106690-00-000

TRANSACTION NUMBER:

า

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106690-00-000 HAS BEEN EXTENDED TO MARCH 10, 2009.

THIS IS NOT TO BE CONSIDERED AS AN AMENDMENT TO THE LETTER OF CREDIT. THIS IS FOR INFORMATION PURPOSES ONLY.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

PNC Bank, National Association Trade Service Operations 3rd Floor

500 First Avenue Pittsburgh, PA 15219

Mail Stop: P7-PFSC-03-T

Telephone: 1-800-682-4689

Swift: PNCCUS33



DATE: SEPTEMBER 17, 2007

PENNSYLVANIA MANUFACTURERS' ASSOCIATION INSURANCE COMPANY SEE ADDRESS BELOW BLUE BELL PA 19422

#### AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:

18106690-00-000

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

AMOUNT:

USD \$500,000.00

EXPIRY DATE: EXPIRY PLACE: MARCH 10, 2008 BALTIMORE, MARYLAND

WE HEREBY AMEND IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 8296 AS FOLLOWS:

APPLICANT'S NAME AND ADDRESS NOW TO READ:

ERICKSON RETIREMENT COMMUNITIES LLC 991 CORPORATE BLVD LINTHICUM, MD 21090

BENEFICIARY'S FULL NAME AND ADDRESS:

PENNSYLVANIA MANUFACTURERS' ASSOCIATION INSURANCE COMPANY PENNSYLVANIA MANUFACTURERS INDEMNITY COMPANY MANUFACTURERS ALLIANCE INSURANCE COMPANY (JOINTLY AND SERVERALLY, AS THE BENEFICIARIES) 380 SENTRY PARKWAY BLUE BELL, PA 19422-2328

THE ISSUING BANK IS NOW TO READ PNC BANK, NATIONAL ASSOCIATION.

THIS LETTER OF CREDIT IS NOW AVAILABLE FOR PAYMENT AT THE COUNTERS OF PNC BANK, NATIONAL ASSOCIATION, TWO HOPKINS PLAZA, 5TH FLOOR, BALTIMORE, MD 21201.

THE LETTER OF CREDIT NUMBER IS NOW TO READ 18106690-00-000. Page 1 of 3 18106690-00-000 PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33

Telephone: 1-800-682-4689



DRAFTS, IF REQUIRED BY THE EXISTING TERMS OF THE LETTER OF CREDIT, MUST NOW BE DRAWN ON PNC BANK, NATIONAL ASSOCIATION, BALTIMORE, MD AND REFERENCE OUR LETTER OF CREDIT NO. 18106690-00-000

ALL REFERENCES IN THE LETTER OF CREDIT TO THE ISSUING BANK SHOULD NOW READ PNC BANK, NATIONAL ASSOCIATION.

ALL REFERENCES IN THE LETTER OF CREDIT TO THE LETTER OF CREDIT NUMBER SHOULD NOW READ 18106690-00-000.

PLEASE ADDRESS ALL CORRESPONDENCE TO PNC BANK, NATIONAL ASSOCIATION, TWO HOPKINS PLAZA, 5TH FLOOR, BALTIMORE, MD 21201 TO THE ATTENTION OF NORMA BANKS, PHONE NUMBER 410-237-5305.

PLEASE SIGNIFY YOUR CONSENT TO THIS AMENDMENT BY SIGNING THE ATTACHED COPY OF THIS AMENDMENT AND RETURNING THE SAME DIRECTLY TO US BY MAIL TO OUR ADDRESS AT 500 FIRST AVENUE, 3RD FLOOR, P7-PFSC-03-T, PITTSBURGH, PA 15219. YOUR IMMEDIATE ATTENTION TO THIS MATTER IS REQUIRED IN ORDER THAT WE MAY COMPLETE OUR RECORDS.

ALL OTHER CONDITIONS REMAIN UNCHANGED.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

Page 2 of 3

18106690-00-000

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh; PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33

Telephone: 1-800-682-4689

**PNCBANK** 

IN REFERENCE TO AMENDMENT UNDER OUR LETTER OF CREDIT NUMBER 18106690-00-000	
WE HEREBY CONSENT TO THE TERMS AND CONDITIONS OF THIS AMENDMENT	١.
WE DO NOT CONSENT TO THE TERMS AND CONDITIONS OF THIS AMENDMENT	٠.
WE FURTHER CERTIFY THAT THE UNDERSIGNED IS AUTHORIZED TO EXECUTE THIS AGREEMENT.	!
PENNSYLVANIA MANUFACTURERS'	
BY: Klady	
DATE:	

PNC Bank, National Association

Trade Service Operations

3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33

Telephone: 1-800-682-4689

PNCBANK

DATE: SEPTEMBER 17, 2007

PENNSYLVANIA MANUFACTURERS' ASSOCIATION INSURANCE COMPANY SEE ADDRESS BELOW BLUE BELL PA 19422

#### AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:

18106690-00-000

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

AMOUNT:

USD \$500,000.00

EXPIRY DATE:

MARCH 10, 2008

EXPIRY PLACE:

BALTIMORE, MARYLAND

WE HEREBY AMEND IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 8296 AS FOLLOWS:

APPLICANT'S NAME AND ADDRESS NOW TO READ:

ERICKSON RETIREMENT COMMUNITIES LLC 991 CORPORATE BLVD LINTHICUM, MD 21090

BENEFICIARY'S FULL NAME AND ADDRESS:

PENNSYLVANIA MANUFACTURERS' ASSOCIATION INSURANCE COMPANY PENNSYLVANIA MANUFACTURERS INDEMNITY COMPANY MANUFACTURERS ALLIANCE INSURANCE COMPANY (JOINTLY AND SERVERALLY, AS THE BENEFICIARIES) 380 SENTRY PARKWAY BLUE BELL, PA 19422-2328

THE ISSUING BANK IS NOW TO READ PNC BANK, NATIONAL ASSOCIATION.

THIS LETTER OF CREDIT IS NOW AVAILABLE FOR PAYMENT AT THE COUNTERS OF PNC BANK, NATIONAL ASSOCIATION, TWO HOPKINS PLAZA, 5TH FLOOR, BALTIMORE, MD 21201.

THE LETTER OF CREDIT NUMBER IS NOW TO READ 18106690-00-000. Page 1 of 3 18106690-00-000 PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33

Telephone: 1-800-682-4689

**PNCBANK** 

DRAFTS, IF REQUIRED BY THE EXISTING TERMS OF THE LETTER OF CREDIT, MUST NOW BE DRAWN ON PNC BANK, NATIONAL ASSOCIATION, BALTIMORE, MD AND REFERENCE OUR LETTER OF CREDIT NO. 18106690-00-000

ALL REFERENCES IN THE LETTER OF CREDIT TO THE ISSUING BANK SHOULD NOW READ PNC BANK, NATIONAL ASSOCIATION.

ALL REFERENCES IN THE LETTER OF CREDIT TO THE LETTER OF CREDIT NUMBER SHOULD NOW READ 18106690-00-000.

PLEASE ADDRESS ALL CORRESPONDENCE TO PNC BANK, NATIONAL ASSOCIATION, TWO HOPKINS PLAZA, 5TH FLOOR, BALTIMORE, MD 21201 TO THE ATTENTION OF NORMA BANKS, PHONE NUMBER 410-237-5305.

PLEASE SIGNIFY YOUR CONSENT TO THIS AMENDMENT BY SIGNING THE ATTACHED COPY OF THIS AMENDMENT AND RETURNING THE SAME DIRECTLY TO US BY MAIL TO OUR ADDRESS AT 500 FIRST AVENUE, 3RD FLOOR, P7-PFSC-03-T, PITTSBURGH, PA 15219. YOUR IMMEDIATE ATTENTION TO THIS MATTER IS REQUIRED IN ORDER THAT WE MAY COMPLETE OUR RECORDS.

ALL OTHER CONDITIONS REMAIN UNCHANGED.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219

Mail Stop: P7-PFSC-03-T

DATE:

Swift: PNCCU533

Telephone: 1-800-682-4689

**OPNCBANK** 

IN REFERENCE TO AMENDMENT UNDER OUR LETTER OF CREDIT NUMBER

18106690-00-000

WE HEREBY CONSENT TO THE TERMS AND CONDITIONS OF THIS AMENDMENT.

WE DO NOT CONSENT TO THE TERMS AND CONDITIONS OF THIS AMENDMENT.

WE FURTHER CERTIFY THAT THE UNDERSIGNED IS AUTHORIZED TO EXECUTE THIS AGREEMENT.

PENNSYLVANIA MANUFACTURERS'

BY:

Page 3 of 3

18106690-00-000

From: Origin ID: ODMA (410)237-5305 Norma Banks MERCANTILE SAFE DEPOSIT/TRUST TWO HOPKINS PLAZA INT'L DEPT 5TH FLOOR BALTIMORE, MD 21201

**BILL SENDER** 

Ship Date: 11MAY07 ActWgt: 1 LB System#: 1903722/INET2600 Account#: S \*\*\*\*\*\*\*\*

Delivery Address Bar Code



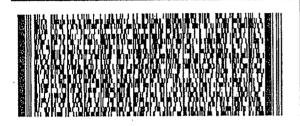
Ref# Invoice #

PO# Dept#

SHIP TO: (800)222-2749

Jude Nascimento PMA INSURANCE CO. 380 Sentry Parkway

Blue Bell, PA 19422



STANDARD OVERNIGHT

7991 3890 7835 TRK#

MON Deliver By: 14MAY07 A2

PHL

19422



Shipping Label: Your shipment is complete

- 1. Use the 'Print' feature from your browser to send this page to your laser or inkjet printer.
- 2. Fold the printed page along the horizontal line.
- 3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.



### AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8296

18104690

When communicating with us, please give our Ref: L/C 8296

Date: May 7, 2007

BENEFICIARY:

Pennsylvania Manufacturers' Association
Insurance Company
Pennsylvania Manufacturers Indemnity Company
Manufacturers Alliance Insurance Company
(jointly and severally, as the "Beneficiaries")
380 Sentry Parkway
Blue Bell, PA 19422-2328

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8296 issued in your favor on March 10, 2003, for account of:

Erickson Retirement Communities

as follows:

1. Reduce amount by \$200,000.00 to a new liability of \$500,000.00.

All other terms and conditions remain unchanged.

Immediate notification must be given to us if this amendment is not accepted.

This Letter of Credit amendment is to be attached to and become an integral part of the original Letter of Credit Instrument.

#### MERCANTILE-SAFE DEPOSIT & TRUST COMPANY

By: Barbara R. Wallace, Senior Vice President

Norma C. Banks, Assistant Vice President

#### IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8296

18106690

BENEFICIARY:

Pennsylvania Manufacturers' Association Insurance Company Pennsylvania Manufacturers Indemnity Company Manufacturers Alliance Insurance Company (jointly and severally, at the "Beneficiaries") 380 Sentry Parkway Blue Bell, PA 19422-2328

DATE:

March 10, 2003

EXPIRATION: March 10, 2004

APPLICANT: Erickson Retirement Communities

Attn: Collateral Manager

Gentlemen:

We have established this clean irrevocable Letter of Credit in your favor for drawings up to U.S.\$ 700,000.00 (Seven Hundred Thousand and 00/100 U.S. Dollars) effective immediately and expiring at our office at Two Hopkins Plaza, Baltimore, Maryland 21201, with our close of business on March 10, 2004.

We hereby undertake to promptly honor your sight draft(s) drawn on us, indicating our Letter of Credit No. 8296, dated March 10, 2003, for all or any part of this Credit if presented at Two Hopkins Plaza, Baltimore, Maryland 21201, on or before the expiry date or any automatically extended date. Without limiting the foregoing, upon receipt by you of our notice of election not to renew this Letter of Credit, you may draw for all or any part of this Credit by sight draft drawn on us indicating the above Credit number.

Except as stated herein, this undertaking is not subject to any condition or qualification. The obligation of the Bank under this Letter of Credit shall be the individual obligation of the Bank, in no way contingent upon reimbursement with respect thereto.

It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one year from the expiry date hereof, or any future expiration date, unless sixty (60) days prior to any expiration date we shall notify you by Registered Mail that we elect not to consider this Letter of Credit renewed for any such additional period

The term "Beneficiary" includes any successor by operation of law of the named Beneficiary including, without limitation, any liquidator, rehabilitator, receiver or conservator.

Each or all of the named beneficiaries is entitled to draw for any part of all of the above stated amount. but the aggregate sum of all drawings under this letter of credit may not exceed the above stated amount.

This Letter of Credit sets forth in full the terms of our undertaking. Such undertaking shall not in any way be modified, amended or amplified by reference to any document or instrument referred to herein or in which this Letter of Credit is referred to or to which this Letter of Credit relates, and any such reference shall not be deemed to incorporate herein by reference any document or instrument.

All bank charges and commissions incurred in this transaction are for the applicant's account.

L/C 8296 Page 2 18106490

Except as otherwise expressly stated herein, this credit is subject to the Uniform Customs and Practice for Commercial Documentary Credits (1993 Revision) I.C.C. Publication No. 500. Notwithstanding Article 17 of said publication, if this credit expires during an interruption of business as described in Article 17, we agree to effect payment if the credit is drawn against within thirty (30) days after resumption of business.

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY

Bv:

Thomas O. Daly, Senior Vice President

By:

Bruce D. MeLean, Senior Vice President



# MERCA PILE-SAFE DEPOSIT AND TRUST MPANY BALTIMORE, MARYLAND 21201 18106690

#### INDEMNIFICATION AGREEMENT

		Dat	e <u>1-6-03</u>
In cons	sideration of your issuance of Irrevocable Clea	in Letter of Credit ("Credit") No	8296 20
for S	700,000.00	in favor of PENNSylvania	M Ambacturers
A 550	700,000.00 cintion Insurance Comp	any	
	ecount of:		
And as so	ecurity for any and all-obligations and/or lie	ibilities of the undersigned, we here	by pledge, assign and grant a
	nterest to THE ABOVE NAMED BANK in t		
	operty listed on the attached schedule, which it shall be referred to as "collateral", and	property, together with all addition	s, substitutions and proceeds
WE, JOH	NTLY AND SEVERALLY, HEREBY ACRI	BE,	
1.	To indemnify and save you harmless from with the Credit;	any and all loss, liability or expense	arising from or in connection
2.	To reimburse you on your demand the eq	uivalent of any and all drafts that m	ay be drawn under it;
3.	To pay you, on demand, your commission minimum commission, together with all excurred by you in connection with the Cree	penses and charges (including charge	
4.	As security for the payment, performance direct or indirect, absolute or contingent, of you, and/or give to you a lien upon, and/or ing in any of our accounts, and all proper time shall be delivered to or otherwise com whether or not for the express purpose of other or different purpose, or which shall way, by us or for our account, or in which purpose for which delivered or not, and thereof; with the right to you, in your di	lue or not due, now existing or hereaf or right of set-off against, all deposit ty and securities of every kind and no le into your possession, custody or cor being used by you as collateral securi be in transit to you or set apart for i we may have any interest, whether y any and all proceeds of said propert	ier arising, we hereby pledge to balances now or hereafter aris- uure which have been or at any intro for any purpose whatever, try or for safekeeping or for any you, or anyone for you, in any ou shall accept the same for the ty and securitles and every part
torneys'	Undersigned shall pay and be jointly and se fees, incident to the enforcement of any of the a part of the principal amount due pursuant	e provisions of the Credit and all such	sonable expenses, including at- i expenses shall be added to and
be enfor and give powers a	agreement shall be binding upon us, our succeedble by, you and your respective successors all or any of the property held as security ther and rights in respect thereto, given you here y liability or responsibility with respect there	i, transferees and assigns. You may a efor to the transferee, who shall there n, and you shall thereafter be foreve	ssign or transfer this agreement upon become vested with all the
· A co	py of said Letter of Credit is attached hereto a	and we hereby confirm and agree to the	ne terms and conditions thereof.
This Ind	lemnification Agreement shall be construed in	n accordance with the Laws of the S	tate of Maryland.
	ORATIONS OR PARTNERSHIPS SIGN BELOW		LS SIGN BELOW
	eson Retirement Communities	LLC	(SEAL)
ву	Secretarion or Partnership	Agricultural error companyation and stay think is the contributed of t	(SEAL)

PNC BANK TRADE SERVICE OPERATIONS FIRST SIDE CENTER 500 FIRST AVENUE, 3RD FLOOR P7-PFSC-03-T, PITTSBURGH, PA 15219 SWIFT PNCCUS33 TELEPHONE: 1-800-682-4689 TRACER DATE: APRIL 27, 2009

ERICKSON RETIREMENT COMMUNITIES LLC 991 CORPORATE BLVD LINTHICUM HEIGHTS, MD 21090

#### STATEMENT OF LETTERS OF CREDIT PAST DUE FEES AND COMMISSIONS

OUR REFERENCE:

18106690-00-000

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

RENEFTCTARY:

PENNSYLVANIA MANUFACTURERS'

THE FOLLOWING FEES ARE NOW PAST DUE FOR THE BELOW LISTED LETTER OF CREDIT:

18106690-00-000:

03/26/2009 STANDBY AMENDMENT FEE

\$100.00

03/26/2009

DOMESTIC COURIER

\$25.00

TOTAL AMOUNT DUE:

\$125.00

PLEASE SEND YOUR REMITTANCE BY OFFICIAL CHECK PAYABLE TO PNC BANK, NATIONAL ASSOCIATION, INCLUDING OUR REFERENCE NUMBER AS IT APPEARS ABOVE. PLEASE ATTACH A COPY OF THIS ADVICE TO YOUR REMITTANCE AND FORWARD IT TO:

PNC BANK NATIONAL ASSOCIATION FIRST SIDE CENTER 500 FIRST AVENUE, 3RD FLOOR P7-PFSC-03-T PITTSBURGH, PA 15219

OR

SEND YOUR REMITTANCE BY WIRE TRANSFER TO PNC BANK N.A., PITTSBURGH, PA ABA NUMBER 043000096 FOR CREDIT TO ACCOUNT NUMBER 1017238669 ATTN: TRADE SERVICE OPERATIONS, PITTSBURGH, PA UNDER ADVICE TO US QUOTING OUR REFERENCE AS IT APPEARS ABOVE.

SHOULD YOU REQUIRE ANY ASSISTANCE, PLEASE CONTACT GLOBAL TRADE SERVICE OPERATIONS AS SHOWN ABOVE. WHEN REFERRING TO THIS TRANSACTION, REMEMBER TO QUOTE OUR REFERENCE NUMBER.

PNC Bank, National Association Trade Service Operations 500 First Avenue - 3rd Floor Pittsburgh, PA 15219 Mail stop: P7-PFSC-03-T Customer Service: 1-800-682-4689 SWIFT Address: PNCCUS33



TRACER DATE: DECEMBER 30, 2009

ERICKSON RETIREMENT COMMUNITIES LLC MAIL STOP 101 P.O. BOX 22000 CATONSVILLE, MD 21228

### STATEMENT OF LETTERS OF CREDIT PAST DUE FEES AND COMMISSIONS

OUR REFERENCE:

18106690-00-000

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

BENEFICIARY:

PENNSYLVANIA MANUFACTURERS'

THE FOLLOWING FEES ARE NOW PAST DUE FOR THE BELOW LISTED LETTER OF CREDIT:

18106690-00-000:

09/30/2009

07/01/2009

STANDBY COMMISSION

09/30/2009

BILLING PERIOD:

DAYS 92 AMOUNT

\$220,000.00

RATE 1.00

TOTAL AMOUNT DUE:

COMMISSION

\_\_\_\_\_

\$562.22

\$562.22

PLEASE SEND YOUR REMITTANCE BY OFFICIAL CHECK PAYABLE TO PNC BANK, NATIONAL ASSOCIATION, INCLUDING OUR REFERENCE NUMBER AS IT APPEARS ABOVE. PLEASE ATTACH A COPY OF THIS ADVICE TO YOUR REMITTANCE AND FORWARD IT TO:

PNC BANK NATIONAL ASSOCIATION FIRST SIDE CENTER 500 FIRST AVENUE, 3RD FLOOR P7-PFSC-03-T PITTSBURGH, PA 15219

OR

SEND YOUR REMITTANCE BY WIRE TRANSFER TO PNC BANK N.A., PITTSBURGH, PA ABA NUMBER 043000096 FOR CREDIT TO ACCOUNT NUMBER 1017238669 ATTN: TRADE SERVICE OPERATIONS, PITTSBURGH, PA UNDER ADVICE TO US QUOTING OUR REFERENCE AS IT APPEARS ABOVE.

SHOULD YOU REQUIRE ANY ASSISTANCE, PLEASE CONTACT GLOBAL TRADE SERVICE OPERATIONS AS SHOWN ABOVE. WHEN REFERRING TO THIS TRANSACTION, REMEMBER TO QUOTE OUR REFERENCE NUMBER.

PNC Bank, National Association Trade Service Operations 500 First Avenue - 3rd Floor Pittsburgh, PA 15219 Mail stop: P7-PFSC-03-T

Customer Service: 1-800-682-4689 SWIFT Address: PNCCUS33



DATE: DECEMBER 31, 2009

ERICKOSN RETIREMENT COMMUNITIES MAIL STOP 101 P.O. BOX 22000 CATONSVILLE, MD 21228

#### ACCOUNTS RECEIVABLE ADVICE

OUR REFERENCE:

18106690-00-000

APPLICANT: BENEFICIARY: ERICKSON RETIREMENT COMMUNITIES LLC

PENNSYLVANIA MANUFACTURERS'

THE FOLLOWING FEES ARE NOW DUE:

STANDBY COMMISSION

BILLING PERIOD: DAYS BASIS AMOUNT RATE 10/01/2009 12/31/2009 92 220,000.00 1.00% 10/01/2009 12/31/2009 92

FEE AMOUNT

562.22

\$562.22

TOTAL AMOUNT DUE:

\$562.22

PLEASE SEND YOUR REMITTANCE BY CHECK PAYABLE TO PNC BANK, NATIONAL ASSOCIATION, INCLUDING OUR REFERENCE NUMBER AS IT APPEARS ABOVE. PLEASE ATTACH A COPY OF THIS ADVICE TO YOUR REMITTANCE AND FORWARD IT TO:

PNC BANK NATIONAL ASSOCIATION 500 FIRST AVENUE TRADE SERVICE OPERATIONS, 3RD FLOOR PITTSBURGH, PA 15219

OR

SETTLEMENT CAN BE MADE VIA FEDWIRE TRANSFER TO PNC BANK N.A. FEDERAL RESERVE OF PITTSBURGH ABA 043000096, ACCOUNT 1017238669 ATTN: TRADE SERVICE OPERATIONS, PITTSBURGH, PA UNDER ADVICE TO US QUOTING OUR REFERENCE AS IT APPEARS ABOVE.

\*\* IN THE EVENT THIS INVOICE IS NOT PAID WITHIN 30 DAYS, A TRACER FEE WILL BE INCURRED.

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

CI15 2 IDS CDA/REA CUSTOMER INQUIRY 02/16/10

ACTION SUCCESSFUL MS BANK

BRANCH 00411 COST CENTER 0005592 PROD> CDA ACCT>

01 FIXED RATE SUBPRDCT CUSTOMER NUMBER

05 CORPORATION SUBOWNER ERICKSON RETIREMENT COMMU

RELATIONSHIP ERICKSON RETIREMENT COMMUNITIES NAME

52-2003375 TIN 991 CORPORATE BLVD &

WTHLD CD PC CERTIFIED TIN MD 21090-2227 ADDR LINTHICUM HEIGHTS

DATE WTHLD CERT 01/23/2008

BIRTH DATE

.50

01/23/2008 LAST MAINT DATE

REA PLAN

ADDED PACKAGE CD

220,000.00

REMOVED COUNTRY -

TOTAL

CURRENT BALANCE STAT MATURES PKG APY ACCOUNT ISS/RENEW SEL SUB 99 1,897,567.76 01/14/2010 01/14/2011 . 65 1887 99

01/22/2010 03/10/2011

2,117,567.76

PF: 1-HELP 2-MSGS 3-PLVL 4-RRS 6-CIF 7-SB 8-SF 9-CI34 10-CI10 11-CI11 12-CI50

### REDACTED

Date: 02/16/2010 Time: 2:19:19 PM

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	00132011 SUBPRDCT		
NAME ERICKSON RETIREMENT	T COMMU SUBOWNER	05 CORPORATION	
ORIGINAL PURCHASE	220,000.00	TOOOTD 0-1	STAT 99 ACTIVE
OMIOIMI I OMOMBO	·	MATURE 03/10/2011	TERM 412 D
CURRENT BALANCE	220,000.00		
ASSIGNMENTS/PLEDGES	220,000.00	REA PLAN	
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INT ACCRUED TO 02/17/201	0 78.35	L 111 1 1	EREST PYMT TO ACCT
LAST INT PYMT 01/22/201	0 .00	PYMT FREQ IM MON'	THLY FROM ISSUE
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•	••	MAIL CODE 01 REG	ULAR MAIL
INTEREST PAID YTD INTEREST WITHHELD YTD	•	AIP STAT AIP GEN	DATE
		AIP PAYMENT AMT	
INTEREST PAID LAST YR		AIP NEXT INT PYMT D	ATE
INTEREST WHLD LAST YR	220,000.00	AIP NEXT INT AMT	
LAST DEPOSIT 01/22/2010	220,000.00		
FEATURE	LAST ACTY 01/25/2	010 REDEFINED	TYPE
Or D. 100 02/	·		
CLOSED	AST MAINT 01/25/2	010 DI() 00 112-1	

PF: 1-HELP 2-MSGS 3-PLVL 9-CI34 10-CI50 11-CI11 12-CI15

### REDACTED

Date: 02/17/2010 Time: 10:20:41 AM

## EXHIBIT 5

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33

-Telephone: 1-800-682-4689



DATE: JUNE 24, 2009

CONTINENTAL CASUALTY COMPANY COLLATERAL AND AGREEMENTS, 29TH FL 333 S. WABASH AVENUE CHICAGO IL 60604

#### NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:

18107082-00-000

TRANSACTION NUMBER:

6

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18107082-00-000 HAS BEEN EXTENDED TO OCTOBER 31, 2010.

THIS IS NOT TO BE CONSIDERED AS AN AMENDMENT TO THE LETTER OF CREDIT. THIS IS FOR INFORMATION PURPOSES ONLY.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

Not Sent

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T

Swift: PNCCUS33

:lephone: 1-800-682-4689

(A) PNCBANK

DATE: DECEMBER 22, 2008

BENEFICIARY:

CONTINENTAL CASUALTY COMPANY COLLATERAL AND AGREEMENTS, 29TH FL 991 CORPORATE BLVD

333 S. WABASH AVENUE

CHICAGO IL 60604

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

LINTHICUM HEIGHTS, MD 21090

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:

18107082-00-000

AMENDMENT NUMBER:

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18107082-00-000 AS FOLLOWS:

THE AMOUNT IS DECREASED BY: USD \$1,500,000.00 TOTAL LIABILITY AMOUNT NOW TO READ: USD \$1,500,000.00

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PLEASE SIGNIFY YOUR CONSENT TO THIS AMENDMENT BY SIGNING THE ATTACHED CONSENT TO THIS AMENDMENT AND RETURNING THE SAME DIRECTLY TO US BY MAIL OR COURIER OR TO THE ADVISING BANK FOR THEIR TRANSMISSION TO US. YOUR IMMEDIATE ATTENTION TO THIS MATTER IS REQUIRED IN ORDER THAT MAY COMPLETE OUT RECORDS.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

Page 1 of 2

18107082-00-000

mC

Anthony Cork

Facsimile

Internet

Collateral & Agreements Analyst Worldwide Operations Telephone 312-822-7158

312-894-3593

Anthony.Cork@cna.com



333 South Wabash Avenue, 29th Floor Chicago IL 60604

December 22, 2008

PNC Bank, N.A. 500 First Avenue, 3rd Floor Pittsburgh, PA 15219 Attn: Trade Service Operations

Letter of Credit # 18107082-00-000

**Applicant: Erickson Retirement Communities** 

Attn: Madam or Sir

This letter will confirm our agreement to the following adjustment to the respective Letter of Credit:

Letter of Credit 18107082-00-000 can be reduced from the current value of \$3,000,000 to a new value of \$1,500,000; a reduction of \$1,500,000.

The original amendment should be sent via overnight mail to the following address:

CNA Insurance Company Attn: Anthony Cork Collateral & Agreements, 29th Floor 333 South Wabash Avenue Chicago, IL 60604

Please do not hesitate to contact me at (312) 822-7158 should you have any questions.

Respectfully,

Anthony Cork

**Continental Casualty Company** 

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33

hone: 1-800-682-4689

**OPNCBANK** 

DATE: JULY 22, 2008

CONTINENTAL CASUALTY COMPANY COLLATERAL AND AGREEMENTS, 29TH FL 333 S. WABASH AVENUE CHICAGO IL 60604

#### NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:

18107082-00-000

TRANSACTION NUMBER:

2

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18107082-00-000 HAS BEEN EXTENDED TO OCTOBER 31, 2009.

THIS IS NOT TO BE CONSIDERED AS AN AMENDMENT TO THE LETTER OF CREDIT. THIS IS FOR INFORMATION PURPOSES ONLY.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

not sent to Bera

PNC Bank, National Association Swift: PNCCUS33 Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T

Telephone: 1-800-682-4689

**PNCBANK** 

DATE: NOVEMBER 02, 2007

BENEFICIARY:

CONTINENTAL CASUALTY COMPANY COLLATERAL AND AGREEMENTS, 29TH FL 991 CORPORATE BLVD

333 S. WABASH AVENUE

CHICAGO IL 60604

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

LINTHICUM HEIGHTS, MD 21090

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: AMENDMENT NUMBER: 18107082-00-000

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18107082-00-000 AS FOLLOWS:

THE BENEFICIARY'S ADDRESS HAS CHANGED TO READ AS ABOVE.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

Page 1 of 1 18107082-00-000

PNC Bank, National Association
Trade Service Operations

Swift: PNCCUS33

Telephone: 1-800-682-4689

3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T

Peceived 10/30/2007 OPNCBANK

DATE: SEPTEMBER 17, 2007

CONTINENTAL CASUALTY COMPANY SEE BELOW FOR COMPLETE ADDRESS 333 SOUTH WABASH AVENUE CHICAGO IL 60604

#### AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:

18107082-00-000

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

AMOUNT:

USD \$3,000,000.00

EXPIRY DATE: EXPIRY PLACE:

OCTOBER 31, 2008 BALTIMORE, MARYLAND

EMPLEMENT.

.

WE HEREBY AMEND IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 8783 AS FOLLOWS:

APPLICANT NAME AND ADDRESS NOW TO READ:

ERICKSON RETIREMENT COMMUNITIES LLC 991 CORPORATE BLVD LINTHICUM, MD 21090-2227

BENEFICIARY FULL NAME AND ADDRESS NOW TO READ:

CONTINENTAL CASUALTY COMPANY CAN INSURANCE COMPANIES 333 SOUTH WABASH, CAN CENTER CHICAGO, IL 60685

THE ISSUING BANK IS NOW TO READ PNC BANK, NATIONAL ASSOCIATION.

THIS LETTER OF CREDIT IS NOW AVAILABLE FOR PAYMENT AT THE COUNTERS OF PNC BANK, NATIONAL ASSOCIATION, TWO HOPKINS PLAZA, 5TH FLOOR, BALTIMORE, MD 21201.

THE LETTER OF CREDIT NUMBER IS NOW TO READ 18107082-00-000.

DRAFTS, IF REQUIRED BY THE EXISTING TERMS OF THE LETTER OF CREDIT, MUST Page 1 of 3 18107082-00-000

PNC Bank, National Association \_ ... Swift: PNCCUS33 Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219

Mail Stop: P7-PFSC-03-T

Telephone: 1-800-682-4689

PNCBANK

NOW BE DRAWN ON PNC BANK, NATIONAL ASSOCIATION, BALTIMORE, MD AND REFERENCE OUR LETTER OF CREDIT NO. 18107082-00-000

ALL REFERENCES IN THE LETTER OF CREDIT TO THE ISSUING BANK SHOULD NOW READ PNC BANK, NATIONAL ASSOCIATION.

ALL REFERENCES IN THE LETTER OF CREDIT TO THE LETTER OF CREDIT NUMBER SHOULD NOW READ 18107082-00-000.

PLEASE ADDRESS ALL CORRESPONDENCE TO PNC BANK, NATIONAL ASSOCIATION, TWO HOPKINS PLAZA, 5TH FLOOR, BALTIMORE, MD 21201 TO THE ATTENTION OF NORMA BANKS, PHONE NUMBER 410-237-5305.

PLEASE SIGNIFY YOUR CONSENT TO THIS AMENDMENT BY SIGNING THE ATTACHED COPY OF THIS AMENDMENT AND RETURNING THE SAME DIRECTLY TO US BY MAIL TO OUR ADDRESS AT 500 FIRST AVENUE, 3RD FLOOR, P7-PFSC-03-T, PITTSBURGH, PA 15219. YOUR IMMEDIATE ATTENTION TO THIS MATTER IS REQUIRED IN ORDER THAT WE MAY COMPLETE OUR RECORDS.

ALL OTHER CONDITIONS REMAIN UNCHANGED.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

**©**PNCBANK

IN REFERENCE TO AMENDMENT UNDER OUR LETTER OF CREDIT NUMBER 18107082-00-000

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Page 3 of 3

18107082-00-000

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219

Mail Stop: P7-PFSC-03-T

Swift: PNCCUS33

Telephone: 1-800-682-4689

**OPNCBANK** 

DATE: SEPTEMBER 17, 2007

CONTINENTAL CASUALTY COMPANY SEE BELOW FOR COMPLETE ADDRESS 333 SOUTH WABASH AVENUE CHICAGO IL 60604

#### AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:

18107082-00-000

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

AMOUNT: EXPIRY DATE: USD \$3,000,000.00 OCTOBER 31, 2008

EXPIRY PLACE:

BALTIMORE, MARYLAND

WE HEREBY AMEND IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 8783 AS FOLLOWS:

APPLICANT NAME AND ADDRESS NOW TO READ:

ERICKSON RETIREMENT COMMUNITIES LLC 991 CORPORATE BLVD LINTHICUM, MD 21090-2227

BENEFICIARY FULL NAME AND ADDRESS NOW TO READ:

CONTINENTAL CASUALTY COMPANY CAN INSURANCE COMPANIES 333 SOUTH WABASH, CAN CENTER CHICAGO, IL 60685

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THE LETTER OF CREDIT NUMBER IS NOW TO READ 18107082-00-000.

DRAFTS, IF REQUIRED BY THE EXISTING TERMS OF THE LETTER OF CREDIT, MUST Page 1 of 3 18107082-00-000

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33

Telephone: 1-800-682-4689



NOW BE DRAWN ON PNC BANK, NATIONAL ASSOCIATION, BALTIMORE, MD AND REFERENCE OUR LETTER OF CREDIT NO. 18107082-00-000

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ALL REFERENCES IN THE LETTER OF CREDIT TO THE LETTER OF CREDIT NUMBER SHOULD NOW READ 18107082-00-000.

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ALL OTHER CONDITIONS REMAIN UNCHANGED.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T

Swift: PNCCUS33 Telephone: 1-800-682-4689

**@PNCBANK** 

IN REF			AMENDME	NT U	MDEI	R OUR I	LETTI	ER OF	CREDI	r n	JMBER		
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BY:									·	<del></del>			
DATE:													

Page 3 of 3

18107082-00-000



### AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8783

18107082

Date: August 01, 2007

BENEFICIARY:

When communicating with us please give our

Ref: L/C 8783

Continental Casualty Company CAN Insurance Companies 333 South Wabash, CAN Center Chicago, IL 60685

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8783 issued on October 26, 2004, for account of:

Erickson Retirement Communities

1. Change Applicant's address to read:

991 Corporate Boulevard Linthicum Heights, MD 21090-2227

All other terms and conditions remain unchanged.

Immediate notification must be given to us if this amendment is not accepted.

This Letter of Credit is to be attached to and become an integral part of the original Letter of Credit Instrument.

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY

By:

D Seward Woelner Assistant Vice President

By:

Norma C. Banks, Assistant Vice President

18/07082

Date: February 4, 2005

BENEFICIARY:

When communicating with us please give our

Ref: L/C 8783

Continental Casualty Company CAN Insurance Companies 333 South Wabash, CAN Center Chicago IL, 60685

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8783 issued on October 26, 2004, for account of:

Erickson Retirement Communities, LLC

Change address of the Beneficiary to read:

CNA Insurance Companies 333 South Wabash, CNA Center Chicago IL, 60685

All other terms and conditions remain unchanged. Immediate notification must be given to us if this amendment is not accepted. This Letter of Credit is to be attached to and become an integral part of the original Letter of Credit Instrument.

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY

Barbara R. Wallace, Vice President

1810 7082

#### IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8783

BENEFICIARY:

DATE:

October 26, 2004

Continental Casualty Company CAN Insurance Companies 333 South Wabash, CAN Center

**EXPIRATION**: October 31, 2005

Chicago IL 60685

Attn: Contract Adm. 29th Floor

#### Gentlemen:

We have established this Irrevocable Letter of Credit No. 8783 in your favor for the account of Erickson Retirement Communities, LLC, 701 Maiden Choice Lane, Baltimore, MD 21228 for drawing up to the aggregate amount of \$3,000,000.00 U.S. Dollars, effective immediately and remaining in full force and effect until expiring at our office, at Mercantile-Safe Deposit and Trust Company Two Hopkins, Plaza 5th Floor, Baltimore, Maryland, 21201, Attn: International Department with our close of business on October 31, 2005.

We hereby undertake to promptly honor your sight draft(s) on us in your favor, for all or any part of this Letter of Credit, if presented at our office at Mercantile-Safe Deposit and Trust Company, Two Hopkins Plaza, 5th Floor, Baltimore MD, 21201, Attn: International Department, on or before the expiry date or any automatically extended date.

Except as stated herein, this undertaking is not subject to any condition or qualification. Our obligation under this Letter of Credit shall be our individual obligation, in no way contingent upon reimbursement with respect thereto.

It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one (1) year from the expiration date hereof, or any future expiration date, unless sixty (60) days prior to any expiration date we shall notify you by Overnight Courier to your address set forth above that we elect not to consider this Letter of Credit renewed for any such additional period.

All drafts must be marked: "Drawn under Mercantile-Safe Deposit and Trust Company Letter of Credit No. 8783, dated October 26, 2004."

Drafts must be presented to us not later than October 31, 2005 or any extended expiration date as herein above provided.



18107082

L/C 8783 Page 2

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, (the "UCP"). Notwithstanding Article 17 of the UCP, if this Letter of Credit expires during an interruption of our business as described in said Article 17, the Bank hereby specifically agrees to effect payment if this Letter of Credit is drawn against within thirty (30) days after the resumption of our business.

#### MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By:	Burbara Rwalace	
	Barbara R. Wallace, Vice President	
	B M	
By:	m. Tee	
	Bruce D. McLean, Senior Vice President	

NOV 2

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

CNA HEALTHPRO

2004

IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8783

BENEFICIARY:

Continental Casualty Company CAN Insurance Companies 333 South Wabash, CAN Center Chicago IL 60685 Attn: Contract Adm. 29th Floor

DATE:

October 26, 2004

EXPIRATION: October 31, 2005

Gentlemen:

We have established this Irrevocable Letter of Credit No. 8783 in your favor for the account of Erickson Retirement Communities, LLC, 701 Maiden Choice Lane, Baltimore, MD 21228 for drawing up to the aggregate amount of \$3,000,000.00 U.S. Dollars, effective immediately and remaining in full force and effect until expiring at our office, at Mercantile-Safe Deposit and Trust Company Two Hopkins, Plaza 5th Floor, Baltimore, Maryland, 21201, Atm: International Department with our close of business on October 31, 2005.

We hereby undertake to promptly honor your sight draft(s) on us in your favor, for all or any part of this Letter of Credit, if presented at our office at Mercantile-Safe Deposit and Trust Company, Two Hopkins Plaza, 5th Floor, Baltimore MD, 21201, Attn: International Department, on or before the expiry date or any automatically extended date.

Except as stated herein, this undertaking is not subject to any condition or qualification. Our obligation under this Letter of Credit shall be our individual obligation, in no way contingent upon reimbursement with respect thereto.

It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one (1) year from the expiration date hereof, or any future expiration date, unless sixty (60) days prior to any expiration date we shall notify you by Overnight Courier to your address set forth above that we elect not to consider this Letter of Credit renewed for any such additional period.

All drafts must be marked: "Drawn under Mercantile-Safe Deposit and Trust Company Letter of Credit No. 8783, dated October 26, 2004."

Drafts must be presented to us not later than October 31, 2005 or any extended expiration date as herein above provided.



#### MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

L/C 8783 Page 2

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, (the "UCP"). Notwithstanding Article 17 of the UCP, if this Letter of Credit expires during an interruption of our business as described in said Article 17, the Bank hereby specifically agrees to effect payment if this Letter of Credit is drawn against within thirty (30) days after the resumption of our business.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: Sowbarn Rwaller

Barbara R. Wallace, Vice President

By:

Bruce: D. McLean, Senior Vice President



CNA Pinza Chicago IL 60685-0001

December 2, 2004



Mercantile-Safe Deposit and Trust Company Two Hopkins Plaza 5<sup>th</sup> Floor Baltimore, Maryland 21201 Attn: International Department

Re: Confirmation for attached Letter of Credit ("LOC")

Mercantile-Safe Deposit and Trust Company

Applicant: ERICKSON RETIREMENT COMMUNITIES, LLC.-8783

Please confirm that you have verified and agreed to the attached LOC information by signing this letter and returning it in the self-addressed stamped envelope to: Thomas Scalf, Collateral and Agreements, 29 South, CNA Plaza, Chicago, IL 60685. This letter is only to serve as a confirmation of existing collateral.

If you have any questions concerning this letter or issues associated with the information contained within this letter, please contact Thomas Scalf in Collateral and Agreements at (312) 822-1302.

Continental Casualty Company As Beneficiary

By: Show 2 screet

Thomas J. Scalf

CONFIRMATION

Mercantile-Safe Deposit and Trust Company

Date Jeb 04, 2005

By I farmal Jank

Name: NORMA C. Banes

Title: AVP



#### Facsimile Cover Sheet

TO

Name:

Letter of Credit Department

Company:

Mercantile-Safe Deposit and Trust Company

Location:

Baltimore, MD

Floor:

Telephone:

410-237-5505

Facsimile:

410-237-5351

**FROM** 

Name:

Glenda Y. Lewis

Company:

CNA Insurance Company

Location:

Chicago, IL

Floor:

295

Telephone:

312-822-2006

Facsimile:

312-755-2382

Date:

February 4, 2005

Pages: 5

(including this page)

Note:

);

RE: Erickson Retirement Communities, LLC. - 8783

Please review, sign and fax back to the attention of Glenda Y. Lewis at (312) 755-2382.

Thank you.

#### CONFIDENTIALITY NOTICE

The information contained in this facsimile message may be legally privileged or confidential information intended only for the use of the individual or entity named above. If you are not the intended recipient, you are notified that any dissemination, distribution, or copying of this facsimile is strictly prohibited. If you have received this facsimile in error, please immediately notify us by telephone so that we can arrange for its disposition.

PNC Bank, National Association Trade Service Operations 500 First Avenue - 3rd Floor Pittsburgh, PA 15219 Mall stop: P7-PFSC-03-T

Customer Service: 1-800-682-4689 SWIFT Address: PNCCUS33



TRACER DATE: DECEMBER 30, 2009

ERICKSON RETIREMENT COMMUNITIES LLC MAIL STOP 101 P.O. BOX 22000 CATONSVILLE, MD 21228

#### STATEMENT OF LETTERS OF CREDIT PAST DUE FEES AND COMMISSIONS

OUR REFERENCE:

18107082-00-000

APPLICANT: ERICKSON RETIREMENT COMMUNITIES LLC
BENEFICIARY: CONTINENTAL CASUALTY COMPANY

THE FOLLOWING FEES ARE NOW PAST DUE FOR THE BELOW LISTED LETTER OF CREDIT:

18107082-00-000:

09/30/2009 STANDBY COMMISSION

BILLING PERIOD: 07/01/2009 09/30/2009 92

DAYS

AMOUNT \$1,500,000.00 RATE

COMMISSION

\$3,833.33

TOTAL AMOUNT DUE:

1.00

\$3,833.33

PLEASE SEND YOUR REMITTANCE BY OFFICIAL CHECK PAYABLE TO PNC BANK, NATIONAL ASSOCIATION, INCLUDING OUR REFERENCE NUMBER AS IT APPEARS ABOVE. PLEASE ATTACH A COPY OF THIS ADVICE TO YOUR REMITTANCE AND FORWARD IT TO:

PNC BANK NATIONAL ASSOCIATION FIRST SIDE CENTER 500 FIRST AVENUE, 3RD FLOOR P7-PFSC-03-T PITTSBURGH, PA 15219

OR

SEND YOUR REMITTANCE BY WIRE TRANSFER TO PNC BANK N.A., PITTSBURGH, PA ABA NUMBER 043000096 FOR CREDIT TO ACCOUNT NUMBER 1017238669 ATTN: TRADE SERVICE OPERATIONS, PITTSBURGH, PA UNDER ADVICE TO US QUOTING OUR REFERENCE AS IT APPEARS ABOVE.

SHOULD YOU REQUIRE ANY ASSISTANCE, PLEASE CONTACT GLOBAL TRADE SERVICE OPERATIONS AS SHOWN ABOVE. WHEN REFERRING TO THIS TRANSACTION, REMEMBER TO QUOTE OUR REFERENCE NUMBER.

PNC Bank, National Association Trade Service Operations 500 First Avenue - 3rd Floor Pittsburgh, PA 15219 Mail stop: P7-PFSC-03-T

Customer Service: 1-800-682-4689 SWIFT Address: PNCCUS33



DATE: DECEMBER 31, 2009

ERICKOSN RETIREMENT COMMUNITIES MAIL STOP 101 P.O. BOX 22000 CATONSVILLE, MD 21228

#### ACCOUNTS RECEIVABLE ADVICE

OUR REFERENCE:

18107082-00-000

APPLICANT: BENEFICIARY: ERICKSON RETIREMENT COMMUNITIES LLC

CONTINENTAL CASUALTY COMPANY

THE FOLLOWING FEES ARE NOW DUE:

STANDBY COMMISSION

BILLING PERIOD: DAYS BASIS AMOUNT RATE 10/01/2009 12/31/2009 92 1,500,000.00 1.00%

1.00%

FEE AMOUNT

3,833.33 \$3,833.33

\_\_\_\_\_

TOTAL AMOUNT DUE:

\$3,833,33

PLEASE SEND YOUR REMITTANCE BY CHECK PAYABLE TO PNC BANK, NATIONAL ASSOCIATION, INCLUDING OUR REFERENCE NUMBER AS IT APPEARS ABOVE. PLEASE ATTACH A COPY OF THIS ADVICE TO YOUR REMITTANCE AND FORWARD IT

PNC BANK NATIONAL ASSOCIATION 500 FIRST AVENUE TRADE SERVICE OPERATIONS, 3RD FLOOR PITTSBURGH, PA 15219

ÓR

SETTLEMENT CAN BE MADE VIA FEDWIRE TRANSFER TO PNC BANK N.A. FEDERAL RESERVE OF PITTSBURGH ABA 043000096, ACCOUNT 1017238669 ATTN: TRADE SERVICE OPERATIONS, PITTSBURGH, PA UNDER ADVICE TO US QUOTING OUR REFERENCE AS IT APPEARS ABOVE.

\*\* IN THE EVENT THIS INVOICE IS NOT PAID WITHIN 30 DAYS, A TRACER FEE WILL BE INCURRED.

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

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## REDACTED

Date: 02/16/2010 Time: 2:19:30 PM

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BANK 40 MS ACTION SUCCESSFUL
ACCT> BRANCH 00411 COST CENTER 0005592
CUSTOMER NUMBER 3600132166 SUBPRDCT 01 FIXED RATE
NAME ERICKSON RETIREMENT COMM SUBOWNER 05 CORPORATION
WATE EXICASON RELIGIBLE COLL.
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OPENED 03/28/2008 LAST ACTY 09/14/2009 REDEFINED 12/30/2008 TYPE EC
CLOSED LAST MAINT 09/14/2009 BR/CC XFR

PF: 1-HELP 2-MSGS 3-PLVL 9-CI34 10-CI50 11-CI11 12-CI15

# REDACTED

Date: 02/17/2010 Time: 10:20:50 AM

### EXHIBIT 6

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219

Mail Stop: P7-PFSC-03-T

Swift: PNCCUS33

T .one: 1-800-682-4689

**OPNCBANK** 

DATE: JUNE 24, 2009

ZURICH AMERICAN INSURANCE CO. 1400 AMERICAN LANE SCHAUMBURG IL 60196-1096

#### NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:

18107083-00-000

TRANSACTION NUMBER:

4

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18107083-00-000 HAS BEEN EXTENDED TO OCTOBER 26, 2010.

THIS IS NOT TO BE CONSIDERED AS AN AMENDMENT TO THE LETTER OF CREDIT. THIS IS FOR INFORMATION PURPOSES ONLY.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

Dri Dent

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33

hone: 1-800-682-4689

**PNCBANK** 

DATE: JULY 22, 2008

ZURICH AMERICAN INSURANCE CO. 1400 AMERICAN LANE SCHAUMBURG IL 60196-1096

#### NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:

18107083-00-000

TRANSACTION NUMBER:

2

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18107083-00-000 HAS BEEN EXTENDED TO OCTOBER 26, 2009.

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PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

port sent to serve

Elisabeth Hooks
Collections & Receivables Mgmt
Collateral Management



US33 -800-682-4689

1400 American Lane Schaumburg, IL 60196-1056 USA Phone (847) 605-6882 Fax (847) 605-6975

elisabeth.hooks@zurichna.com

**@PNCBANK** 

R OUR LETTER OF CREDIT NUMBER

And the Control of th
WE HEREBY CONSENT TO THE TERMS AND CONDITIONS OF THIS AMENDMENT
WE DO NOT CONSENT TO THE TERMS AND CONDITIONS OF THIS AMENDMENT
WE FURTHER CERTIFY THAT THE UNDERSIGNED IS AUTHORIZED TO EXECUTE THIS AGREEMENT.
ZURICH AMERICAN INSURANCE CO.
BY: Right Coll
DATE: 10/10/2007

PNC Bank, National Association Trade Service Operations 3rd Floor Swift: PNCCUS33

Telephone: 1-800-682-4689

Trade Service Operations
3rd Floor
500 First Avenue
Pittsburgh, PA 15219
Mail Stop: P7-PFSC-03-T

**PNCBANK** 

DATE: SEPTEMBER 17, 2007

ZURICH AMERICAN INSURANCE CO. 1400 AMERICAN LANE SCHAUMBURG IL 60196-1096

#### AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:

18107083-00-000

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

AMOUNT:

USD \$1,000,000.00 OCTOBER 26, 2008

EXPIRY DATE: EXPIRY PLACE:

BALTIMORE, MARYLAND

WE HEREBY AMEND IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 8785 AS FOLLOWS:

THE ISSUING BANK IS NOW TO READ PNC BANK, NATIONAL ASSOCIATION.

THIS LETTER OF CREDIT IS NOW AVAILABLE FOR PAYMENT AT THE COUNTERS OF PNC BANK, NATIONAL ASSOCIATION, TWO HOPKINS PLAZA, 5TH FLOOR, BALTIMORE, MD 21201.

THE LETTER OF CREDIT NUMBER IS NOW TO READ 18107083-00-000.

DRAFTS, IF REQUIRED BY THE EXISTING TERMS OF THE LETTER OF CREDIT, MUST NOW BE DRAWN ON PNC BANK, NATIONAL ASSOCIATION, BALTIMORE, MD AND REFERENCE OUR LETTER OF CREDIT NO. 18107083-00-000

ALL REFERENCES IN THE LETTER OF CREDIT TO THE ISSUING BANK SHOULD NOW READ PNC BANK, NATIONAL ASSOCIATION.

ALL REFERENCES IN THE LETTER OF CREDIT TO THE LETTER OF CREDIT NUMBER SHOULD NOW READ 18107083-00-000.

PLEASE ADDRESS ALL CORRESPONDENCE TO PNC BANK, NATIONAL ASSOCIATION, TWO HOPKINS PLAZA, 5TH FLOOR, BALTIMORE, MD 21201 TO THE ATTENTION OF NORMA BANKS, PHONE NUMBER 410-237-5305.

PLEASE SIGNIFY YOUR CONSENT TO THIS AMENDMENT BY SIGNING THE ATTACHED COPY OF THIS AMENDMENT AND RETURNING THE SAME DIRECTLY TO US BY MAIL TO Page 1 of 3 18107083-00-000

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33

Telephone: 1-800-682-4689

**PNCBANK** 

OUR ADDRESS AT 500 FIRST AVENUE, 3RD FLOOR, P7-PFSC-03-T, PITTSBURGH, PA 15219. YOUR IMMEDIATE ATTENTION TO THIS MATTER IS REQUIRED IN ORDER THAT WE MAY COMPLETE OUR RECORDS.

ALL OTHER CONDITIONS REMAIN UNCHANGED.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

Page 2 of 3

18107083-00-000

PNC Bank, National Association
Trade Service Operations
3rd Floor
500 First Avenue
Pittsburgh, PA 15219
Mail Stop: P7-PFSC-03-T



IN REFE 1810708			AMEN	IDMEN	AT. O	NDEF	COUR.	PR.I.I.I	SR OF	CRED.	II. N	JMBEK		
V	WE H	EREBY	CONS	ENT	TO	THE	TERMS	'AND	COND	ITION	S OF	THIS	AMEN	DMENT.
V	WE D	O NOT	CONS	SENT	то	THE	TERMS	AND	COND	ITION	S OF	THIS	AMEN	DMENT.
WE FURT AGREEMI		CERT	IFY T	ТАНТ	THE	UNI	DERSIG	NED :	IS AU	THORI	ZED '	ro ex	ECUTE	THIS
ZURICH	AME	RICAN	INSU	RANC	CE C	:o.								
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DATE:														

Page 3 of 3

18107083-00-000

NO. 8785

VOCABLE STANDBY LETTER OF CREDIT 18107083

Date: August 01, 2007

BENEFICIARY:

When communicating with us please give our

Ref: L/C 8785

Zurich American Insurance Company 1400 American Lane Schaumburg, Illinois 60196-1056

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8785 issued on October 26 2004, for account of:

**Erickson Retirement Communities** 

1. Change Applicant's address to read:

991 Corporate Boulevard Linthicum Heights, MD 21090-2227

All other terms and conditions remain unchanged. Immediate notification must be given to us if this amendment is not accepted. This Letter of Credit is to be attached to and become an integral part of the original Letter of Credit Instrument.

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY

### IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8785

18107083

BENEFICIARY:

Zurich American Insurance Company 1400 American Lane Schaumburg, Illinois 60196-1056 DATE:

October 26, 2004

EXPIRATION DATE: October 26, 2005

APPLICANT: Erickson Retirement

Communities, Worker's Compensation Plan

701 Maiden Choice Lane Baltimore, Maryland 21228

We have established this clean, irrevocable, and unconditional Letter of Credit in your favor as Beneficiary for drawings up to U.S. \$1,000,000.00 effective immediately. This Letter of Credit is issued, presentable and payable at our office at Two Hopkins Plaza, Baltimore, MD 21201, Attention: International Department, and expires with our close of business on October 26, 2005. Except when the amount of this Letter of Credit is increased, this Credit cannot be modified or revoked without your consent.

The term "Beneficiary" includes any successor by operation of law of the named Beneficiary including without limitation any liquidator, rehabilitator, receiver, or conservator. Drawings by any liquidator, rehabilitator, receiver or conservator shall be for the benefit of all of the Beneficiary's policyholders.

We hereby undertake to promptly honor your sight draft(s) drawn on us, indicating our Credit No. 8785, for all of or any part of this Credit upon presentation of your draft drawn on us at our office specified in paragraph one on or before the expiration date hereof or any automatically extended expiry date.

Except as expressly stated herein, this undertaking is not subject to any agreement, requirement or qualification. The obligation of Mercantile-Safe Deposit and Trust Company under this Credit is the individual obligation of Mercantile-Safe Deposit and Trust Company and is in no way contingent upon reimbursement with respect thereto, or upon our ability to perfect any lien, security interest or any other reimbursement.

This Letter of Credit is deemed to be automatically extended without amendment for one (1) year from the expiration date or any future expiration date, unless sixty (60) days prior to such date, we notify you by Registered Mail that this Letter of Credit will not be renewed for any such additional period.

L/C 8785 Page 2 18107083

This Letter of Credit is subject to and governed by the laws of the State of New York and the 1993 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce (Publication No. 500), and in the event of any conflict, the Laws of the State of New York will control. If this credit expires during an interruption of business, as described in Article 17 of said Publication 500, the bank hereby specifically agrees to effect payment if this Credit is drawn against within 30 days after the resumption of business.

#### MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: Burbar R Wallace, Vice President

D. Seward Woelner, A.S./A.T

18107083

#### Banks, Norma

From:

Weber, Jason

Sent:

Tuesday, November 01, 2005 12:10 PM

To:

Eaddy, Sinclair; Banks, Norma

Cc:

McLean, Bruce; Woelper, Chip

Subject: RE: Collateral for L/C 8785

Norma, each of the CDs below was pledged for L/C #8785 on October 26, 2005. Please let me know if you need any additional information.

Jason Weber Treasury Analyst (410) 237-5662

Mercantile-Safe Deposit & Trust Co. 2 Hopkins Plaza, 8th Fl. Baltimore, MD 21201

Email: jason.weber@mercantile.com

From: Eaddy, Sinclair

Sent: Tuesday, November 01, 2005 12:06 PM

To: Weber, Jason

Subject: FW: Collateral for L/C 8785

FYI

Sinclair Eaddy Mercantile-Safe Deposit & Trust Co. 2 Hopkins Plaza, 8th Fl. Baltimore, MD 21201

Email: sinclair.eaddy@mercantile.com

From: Banks, Norma

Sent: Tuesday, November 01, 2005 9:28 AM

To: Eaddy, Sinclair

Cc: McLean, Bruce; Woelper, Chip Subject: Collateral for L/C 8785

18107083

#### INDEMNIFICATION AGREEMENT

			Date
In cons	sideration of your issuance of	of Irrevocable Clean Letter o	f Credit ("Credit") No. 8785
for \$ 1,0	00,000,000	in favo	or of Zurich Insurance Company
		PRESIDENCE ASSESSES EL MANON PRESIDENCE ASSESSES ANTONIO PROGRESSO EL MANON PER L'ANTONIO PE	
for the ac	count of:Erickson	n Retirement Communit	ties
And as so	curity for any and all obliq	gations and/or liabilities of	the undersigned, we hereby pledge, assign and grant a
security ir	iterest to THE ABOVE NA	MED BANK in the followi	ing property:
	Certificate of	Deposit #16800 d schedule, which property.	0075 /10
and all pr hereinafte	operty listed on the attacher shall be referred to as "co	d schedule, which property. ollateral", and	together with all additions, substitutions and proceeds
WE, JOH	NTLY AND SEVERALLY	HEREBY AGREE,	
1.	To indemnify and save y with the Credit;	ou harmless from any and	all loss, liability or expense arising from or in connection
2.	To reimburse you on yo	ur demand the equivalent o	f any and all drafts that may be drawn under it;
3.	minimum commission, to	, your commission at such ogether with all expenses antion with the Credit or any	rate as you determine to be proper and, in any event, a d charges (including charges for legal services) paid or indraft accepted by you.
4.	direct or indirect, absolution, and/or give to you ing in any of our accountime shall be delivered to whether or not for the cother or different purpoway, by us or for our acquirpose for which delivered.	te or contingent, due or not a lien upon, and/or right of its, and all property and sect to or otherwise come into you express purpose of being used sec, or which shall be in trancount, or in which we may be reted or not, and any and a	arge of any and all of our obligations and liabilities to you, due, now existing or hereafter arising, we hereby pledge to set-off against, all deposit balances now or hereafter arisurtities of every kind and nature which have been or at any r possession, custody or control for any purpose whatever, i by you as collateral security or for safekeeping or for any nsit to you or set apart for you, or anyone for you, in any nave any interest, whether you shall accept the same for the ill proceeds of said property and securities and every part o resort first to any part of said security.
torneys'	fees, incident to the enforce	be jointly and severally lial ment of any of the provision ount due pursuant to this C	ble to the Bank for all reasonable expenses, including at- ns of the Credit and all such expenses shall be added to and fredit.
be enfor and give powers	ceable by, you and your res	spective successors, transfered eld as security therefor to the o, given you herein, and yo	ansferces and assigns, and shall inure to the benefit of, and ces and assigns. You may assign or transfer this agreement e transferce, who shall thercupon become vested with all the u shall thereafter be forever released and fully discharged
· A co	py of said Letter of Credit is	attached hereto and we her	eby confirm and agree to the terms and conditions thereof.
This Ind	emnification Agreement sh	all be construed in accordar	nce with the Laws of the State of Maryland.
CORP	ORATIONS OR PARTNERSHIP	S SIGN BELOW	INDIVIDUALS SIGN BELOW
Erick	son Retirement Commu	nities, LLC	(SEAL)
By	orporation or Partnership	1	(SEAL)

PNC Bank, National Association Trade Service Operations 500 First Avenue - 3rd Floor Pittsburgh, PA 15219 Mail stop: P7-PFSC-03-T

Customer Service: 1-800-682-4689 SWIFT Address: PNCCUS33



DATE: DECEMBER 31, 2009

ERICKOSN RETIREMENT COMMUNITIES MAIL STOP 101 P.O. BOX 22000 CATONSVILLE, MD 21228

#### ACCOUNTS RECEIVABLE ADVICE

OUR REFERENCE:

18107083-00-000

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

BENEFICIARY:

ZURICH AMERICAN INSURANCE CO.

THE FOLLOWING FEES ARE NOW DUE:

STANDBY COMMISSION

BILLING PERIOD: DAYS 10/25/2009 12/31/2009 68 1,000,000.00

BASIS AMOUNT

RATE 1.50% FEE AMOUNT

2,833.33

\$2,833.33

TOTAL AMOUNT DUE:

\_\_\_\_\_\_ \$2,833.33

PLEASE SEND YOUR REMITTANCE BY CHECK PAYABLE TO PNC BANK, NATIONAL ASSOCIATION, INCLUDING OUR REFERENCE NUMBER AS IT APPEARS ABOVE. PLEASE ATTACH A COPY OF THIS ADVICE TO YOUR REMITTANCE AND FORWARD IT TO:

PNC BANK NATIONAL ASSOCIATION 500 FIRST AVENUE TRADE SERVICE OPERATIONS, 3RD FLOOR PITTSBURGH, PA 15219

OR

SETTLEMENT CAN BE MADE VIA FEDWIRE TRANSFER TO PNC BANK N.A. FEDERAL RESERVE OF PITTSBURGH ABA 043000096, ACCOUNT 1017238669 ATTN: TRADE SERVICE OPERATIONS, PITTSBURGH, PA UNDER ADVICE TO US QUOTING OUR REFERENCE AS IT APPEARS ABOVE.

\*\* IN THE EVENT THIS INVOICE IS NOT PAID WITHIN 30 DAYS, A TRACER FEE WILL BE INCURRED.

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

02/16/10 CI15 2 IDS CDA/REA CUSTOMER INQUIRY

MS . ACTION SUCCESSFUL BANK

COST CENTER 0005592 PROD> CDA BRANCH 00411 ACCT> 6209

SUBPRDCT 01 FIXED RATE CUSTOMER NUMBER 3100145031 ERICKSON RETIREMENT COMMU SUBOWNER 05 CORPORATION

NAME ERICKSON RETIREMENT COMMUNITIES TIN 52-2003375 701 MAIDEN CHOICE LN &

WTHLD CD PC CERTIFIED TIN MD 21228-5968 ADDR CATONSVILLE

DATE WTHLD CERT 12/31/2009

BIRTH DATE

RELATIONSHIP

LAST MAINT DATE 12/31/2009

REA PLAN

ADDED PACKAGE CD

REMOVED COUNTRY

CURRENT BALANCE STAT MATURES PKG APY RST ISS/RENEW SEL SUB ACCOUNT 1,088,466.53 99 6209 Y 10/26/2008 10/31/2010 1.85

> 1,088,466.53 TOTAL

PF: 1-HELP 2-MSGS 3-PLVL 4-RRS 6-CIF 7-SB 8-SF 9-CI34 10-CI10 11-CI11 12-CI50

### REDACTED

Date: 02/16/2010 Time: 2:19:40 PM

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	IDS CDA/REA M	FINANCIAL INQUIRY 02/ ACTION SUCCESSE	17/10 10.20.57
BANK 40			
ACCT>		DA BRANCH 00411 COST	CENTER 0005592
CUSTOMER NUMBER 310014	15031 SUBPRDC	O1 FIXED RATE	
NAME ERICKSON RETIREMENT CO	MMU SUBOWNE	R 05 CORPORATION	
WHILE ENGLOSE TELL TOTAL			
OPTATURE DUDGURGE	1 064 008 36	ISSUED 10/26/2008 STA	T 99 ACTIVE
ORIGINAL PURCHASE	1,004,000.30	MATURE 10/31/2010 TEF	
		MATURE 10/31/2010 12:	
CURRENT BALANCE	1,088,466.53		
ASSIGNMENTS/PLEDGES	1,000,000.00	REA PLAN	
•		LAST REA RATE CHANGE	
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	1,689.12		Y FROM ISSUE
LAST INT PYMT 01/26/2010	1,009.12	INT ACCT#	
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CLOSED LAST	MAINT 12/31/2	009 BR/CC XFR	

PF: 1-HELP 2-MSGS 3-PLVL 9-CI34 10-CI50 11-CI11 12-CI15

# REDACTED

Date: 02/17/2010 Time: 10:20:58 AM

### EXHIBIT 7

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33 Telephone: 1-800-682-4689

**PNCBANK** 

DATE: DECEMBER 26, 2008

ZURICH AMERICAN INSURANCE CO. 1400 AMERICAN LANE SCHAUMBURG IL 60196-1096

#### NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:

18107421-00-000

TRANSACTION NUMBER:

2

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18107421-00-000 HAS BEEN EXTENDED TO MARCH 22, 2010.

THIS IS NOT TO BE CONSIDERED AS AN AMENDMENT TO THE LETTER OF CREDIT. THIS IS FOR INFORMATION PURPOSES ONLY.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

Not Sut

PNC Bank, National Association Trade Service Operations

3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T -Swift: PNCCUS33

elephone: 1-800-682-4689



DATE: JANUARY 08, 2008

ZURICH AMERICAN INSURANCE CO. 1400 AMERICAN LANE SCHAUMBURG IL 60196-1096

#### NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:

18107421-00-000

TRANSACTION NUMBER:

1

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18107421-00-000 HAS BEEN EXTENDED TO MARCH 22, 2009.

THIS IS NOT TO BE CONSIDERED AS AN AMENDMENT TO THE LETTER OF CREDIT. THIS IS FOR INFORMATION PURPOSES ONLY.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-1

wift: PNCCUS33 [elephone: 1-800-682-4689]

**OPNCBANK** 

IN REFERENCE TO AMENDMENT UNDER OUR LETTER OF CREDIT NUMBER 18107422-00-000

WE HEREBY CONSENT TO THE TERMS AND CONDITIONS OF THIS AMENDMENT

WE DO NOT CONSENT TO THE TERMS AND CONDITIONS OF THIS AMENDMENT

WE FURTHER CERTIFY THAT THE UNDERSIGNED IS AUTHORIZED TO EXECUTE THIS AGREEMENT.

ZURICH AMERICAN INSURÂNCE CO

BY;

DATES

Page 3 of 3. 18107421-00-00

PNC Bank, National Association
Trade Service Operations
3rd Floor

3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33

Telephone: 1-800-682-4689



DATE: SEPTEMBER 17, 2007

ZURICH AMERICAN INSURANCE CO. 1400 AMERICAN LANE SCHAUMBURG IL 60196-1096

#### AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:

18107421-00-000

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

AMOUNT:

USD \$1,250,000.00

EXPIRY DATE:

MARCH 22, 2008

EXPIRY PLACE: BALTIMORE, MARYLAND

WE HEREBY AMEND IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 8847 AS FOLLOWS:

APPLICANT NAME AND ADDRESS NOW TO READ:

ERICKSON RETIREMENT COMMUNITIES LLC 991 CORPORATE BLVD LINTHICUM, MD 21090-2227

THE ISSUING BANK IS NOW TO READ PNC BANK, NATIONAL ASSOCIATION.

THIS LETTER OF CREDIT IS NOW AVAILABLE FOR PAYMENT AT THE COUNTERS OF PNC BANK, NATIONAL ASSOCIATION, TWO HOPKINS PLAZA, 5TH FLOOR, BALTIMORE, MD 21201.

THE LETTER OF CREDIT NUMBER IS NOW TO READ 18107421-00-000.

DRAFTS, IF REQUIRED BY THE EXISTING TERMS OF THE LETTER OF CREDIT, MUST NOW BE DRAWN ON PNC BANK, NATIONAL ASSOCIATION, BALTIMORE, MD AND REFERENCE OUR LETTER OF CREDIT NO. 18107421-00-000

ALL REFERENCES IN THE LETTER OF CREDIT TO THE ISSUING BANK SHOULD NOW READ PNC BANK, NATIONAL ASSOCIATION.

ALL REFERENCES IN THE LETTER OF CREDIT TO THE LETTER OF CREDIT NUMBER SHOULD NOW READ 18107421-00-000.

Page 1 of 3

18107421-00-000

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T Swift: PNCCUS33

Telephone: 1-800-682-4689

**PNCBANK** 

PLEASE ADDRESS ALL CORRESPONDENCE TO PNC BANK, NATIONAL ASSOCIATION, TWO HOPKINS PLAZA, 5TH FLOOR, BALTIMORE, MD 21201 TO THE ATTENTION OF NORMA BANKS, PHONE NUMBER 410-237-5305.

PLEASE SIGNIFY YOUR CONSENT TO THIS AMENDMENT BY SIGNING THE ATTACHED COPY OF THIS AMENDMENT AND RETURNING THE SAME DIRECTLY TO US BY MAIL TO OUR ADDRESS AT 500 FIRST AVENUE, 3RD FLOOR, P7-PFSC-03-T, PITTSBURGH, PA 15219. YOUR IMMEDIATE ATTENTION TO THIS MATTER IS REQUIRED IN ORDER THAT WE MAY COMPLETE OUR RECORDS.

ALL OTHER CONDITIONS REMAIN UNCHANGED.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

Page 2 of 3

18107421-00-000

REVOCABLE STANDBY LETTER OF CREDIT NO. 8847

18107421

**Date**: August 01, 2007

BENEFICIARY:

When communicating with us please give our

Ref: L/C 8847

Zurich American Insurance Company 1400 American Lane Schaumburg, Illinois 60196-1056

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8847 issued on July 23, 2002, for account of:

Erickson Retirement Communities

1. Change Applicant's address to read:

991 Corporate Boulevard Linthicum Heights, MD 21090-2227

All other terms and conditions remain unchanged. Immediate notification must be given to us if this amendment is not accepted. This Letter of Credit is to be attached to and become an integral part of the original Letter of Credit Instrument.

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY

Seward Woelper, Assistant Vice President

#### IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8847

18107421

BENEFICIARY:

Zurich American Insurance Company 1400 American Lane Schaumburg, Illinois 60196-1056 DATE: March 22, 2005 EXPIRATION DATE: March 22, 2006

APPLICANT: Erickson Retirement Communities, Worker's Compensation Plan 701 Maiden Choice Lane Baltimore, Maryland 21228

We have established this clean, irrevocable, and unconditional Letter of Credit in your favor as Beneficiary for drawings up to U.S. \$1,250,000.00 effective immediately. This Letter of Credit is issued, presentable and payable at our office at Two Hopkins Plaza, Baltimore, MD 21201, Attention: International Department, and expires with our close of business on March 22, 2006. Except when the amount of this Letter of Credit is increased, this Credit cannot be modified or revoked without your consent.

The term "Beneficiary" includes any successor by operation of law of the named Beneficiary including without limitation any liquidator, rehabilitator, receiver, or conservator. Drawings by any liquidator, rehabilitator, receiver or conservator shall be for the benefit of all of the Beneficiary's policyholders.

We hereby undertake to promptly honor your sight draft(s) drawn on us, indicating our Credit No. 8847, for all of or any part of this Credit upon presentation of your draft drawn on us at our office specified in paragraph one on or before the expiration date hereof or any automatically extended expiry date.

Except as expressly stated herein, this undertaking is not subject to any agreement, requirement or qualification. The obligation of Mercantile-Safe Deposit and Trust Company under this Credit is the individual obligation of Mercantile-Safe Deposit and Trust Company and is in no way contingent upon reimbursement with respect thereto, or upon our ability to perfect any lien, security interest or any other reimbursement.

This Letter of Credit is deemed to be automatically extended without amendment for one (1) year from the expiration date or any future expiration date, unless sixty (60) days prior to such date, we notify you by Registered Mail that this Letter of Credit will not be renewed for any such additional period.



L/C 8847 Page 2 18107421

This Letter of Credit is subject to and governed by the laws of the State of New York and the 1993 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce (Publication No. 500), and in the event of any conflict, the Laws of the State of New York will control. If this credit expires during an interruption of business, as described in Article 17 of said Publication 500, the bank hereby specifically agrees to effect payment if this Credit is drawn against within 30 days after the resumption of business.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: <u>Burbara R. Wallace</u> Barbara R. Wallace, Senior Vice President

By: D. Seward Woelper, Assistant Vice President



### MERCANTILE-SAFE DEPOSIT & TRUST COMPANY / 8/07/42/ BALTIMORE, MARYLAND 21201

#### INDEMNIFICATION AGREEMENT

		Ð	ate 1/2//05
In consideration of your issue	ince of Irrevocable Clean Le	tter of Credit ("Credit") No.	
for \$ 1,250,000.00	in	Favor of Zurich An	nerican
· Insurance Co	mpany		
for \$ 1,250,000.00  - Tusurance Co  For the account of: Enc	ikin Petinal Con	untro, LCC.	
And as security for any and all	obligations and/or liabiliti	es of the undersigned, we her	oby piedge, assign and grant a
security interest to THE ABOVI	E NAMED BANK in the fo		•
Contilient	of Ocposite		
and all property listed on the an hereinafter shall be referred to a	ached schedule, which even	perty, together with all addition	us, substitutions and proceeds
we, jointly and several	LY, HEREEY AOREE,	•	•
<ol> <li>To indemnify and se with the Credit;</li> </ol>	ive you harmless from any s	and all loss, liability or expens	c arising from or in connection
<ol><li>To reimburse you or</li></ol>	1 your demand the equivale	ent of any and all drafts that n	asy be drawn under it;
3. To pay you, on dem	land, your commission at s	lich rate ar ven determine se i	be proper and, in any event, a es for legal services) paid of in-
you, and/or give to you, and/or give to y ing in any of our acc time shall be delivered whether or not for the other or different pu way, by us or for our purpose for which de	course of contingent, due or a you a lien upon, and/or right ounts, and all property and d to or otherwise come into y e express purpose of being u rpose, or which shall be in a account, or in which we ma clivered or not, and any and	not due, now existing or hereaft to f set-off against, all deposit securities of every kind and na your possession, custody or con used by you as collatoral security reansit to you or set apart for the	religations and Habilities to you, ter arising, we hereby pledge to balances now or hereafter aristure which have been or at any purpose whatever, yor for safekeeping or for any you, or anyone for you, in any ou shall accept the same for the y and securities and every part said security.
The Undersigned shall pay an orneys' fees, incident to the enforce made a part of the principal at	CEMBER OF SHV AT THE BEASING	James 77 and Charles Carrier	onable expenses, including ac- expenses shall be added to and
This agreement shall be binding or enforceable by, you and your a und give all or any of the property sowers and rights in respect there can any liability or responsibility.	held as security therefor to t	crees and assigns. You may as	sign or transfer this agreement
A copy of said Letter of Credit	is attached hereto and we b	creby confirm and agree to the	terms and conditions thereof.
his Indemnification Agreement s			
CORPORATIONS OR PARTNERSH	IPS SION BELOW		s sign below
Exickson Refreement Co	mmunitics, LLC		(SEAL)
The state of the s			(SEAL)

#### OFFICE MEMORANDUM

#### OF

#### MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

18107421

DATE:

March 22, 2004

TO:

Jason Weber

Norma Banks

FROM:

Chip Woelper

RE:

Erickson Retirement Communities, LLC: Assignment of Certificate of Deposit

The following Certificates of Deposit secure L/C No. 8847:

CD Number	Community Name	Principal Collateral # 20150695
168000982	Erickson Retirement Communities	88,238 - 4001000
168000983	Erickson Contruction, Inc	88,238 148,445 - 400,150 696
168000984	Henry Ford Village, Inc.	202,843 100150697
168000985	Seabrook Village, Inc.	175.428 - 4001501048
168000986	Cedar Crest Village, Inc.	147.300 - 400150 1099
168000987	Greenspring Village, Inc.	149,677 1/00/150 700
168000988	Brooksby Village, Inc.	169,779 400150 701
168000989	Ann's Choice, Inc.	91,646 - 400150 702
168000990	Fox Run Village	47,291 400150 703
168000991	Linden Ponds, Inc.	23,501
168000992	Eagles Trace, Inc.	4,320 700 50 700
168000993	Sedgebrook, Inc.	1,526 400150765

TOTAL:

1,250,000

Feel free to contact me at x5216 with any questions.

cc: Bruce McLean

18107421

From: Jason, Weber

To: Joyce. Weddington Sent: 3/22/05 at 12:51pm

Subject: RE: Erickson Retirement Comm. LLC

All 12 CDs have been pledged for Letter of Credit #8847.

Jason Weber Treasury Analyst

x 5662

<----- Forwarded letter

follows----->

Date:3/22/05 at 12:41pm

To:Jason.Weber

From: Joyce. Weddington

Subject: Erickson Retirement Comm. LLC

#### Good Afternoon,

Could you please verify that a hold has been placed on the following CD's security for the issuance of our Letter of Credit no. 8847:

168000982 \$88,238 168000983 148,445 168000984 202,843 175,428 168000985 147,300 168000986 168000987 149,677 168000988 169,779 168000989 91,646 168000990 47,291 168000991 23,507 168000992 4,320 168000993 1,526

Thank You, Joyce Weddington International Department (410) 237~5304 joyce.weddington@mercantile.net

PNC Bank, National Association Trade Service Operations 500 First Avenue - 3rd Floor Pittsburgh, PA 15219 Mail stop: P7-PFSC-03-T

Customer Service: 1-800-682-4689 SWIFT Address: PNCCUS33



TRACER DATE: DECEMBER 30, 2009

ERICKSON RETIREMENT COMMUNITIES LLC MAIL STOP 101 P.O. BOX 22000 CATONSVILLE, MD 21228

#### STATEMENT OF LETTERS OF CREDIT PAST DUE FEES AND COMMISSIONS

OUR REFERENCE:

18107421-00-000

APPLICANT: ERICKSON RETIREMENT COMMUNITIES LLC BENEFICIARY: ZURICH AMERICAN INSURANCE CO.

THE FOLLOWING FEES ARE NOW PAST DUE FOR THE BELOW LISTED LETTER OF CREDIT:

18107421-00-000:

STANDBY COMMISSION 09/30/2009

BILLING PERIOD: DAYS

07/01/2009 09/30/2009 92

AMOUNT \$1,250,000.00 RATE

COMMISSION \$3,194.44

1.00

TOTAL AMOUNT DUE:

\$3,194.44

\_\_\_\_\_

PLEASE SEND YOUR REMITTANCE BY OFFICIAL CHECK PAYABLE TO PNC BANK, NATIONAL ASSOCIATION, INCLUDING OUR REFERENCE NUMBER AS IT APPEARS ABOVE. PLEASE ATTACH A COPY OF THIS ADVICE TO YOUR REMITTANCE AND FORWARD IT TO:

PNC BANK NATIONAL ASSOCIATION FIRST SIDE CENTER 500 FIRST AVENUE, 3RD FLOOR P7-PFSC-03-T PITTSBURGH, PA 15219

OR

SEND YOUR REMITTANCE BY WIRE TRANSFER TO PNC BANK N.A., PITTSBURGH, PA ABA NUMBER 043000096 FOR CREDIT TO ACCOUNT NUMBER 1017238669 ATTN: TRADE SERVICE OPERATIONS, PITTSBURGH, PA UNDER ADVICE TO US QUOTING OUR REFERENCE AS IT APPEARS ABOVE.

SHOULD YOU REQUIRE ANY ASSISTANCE, PLEASE CONTACT GLOBAL TRADE SERVICE OPERATIONS AS SHOWN ABOVE. WHEN REFERRING TO THIS TRANSACTION, REMEMBER TO QUOTE OUR REFERENCE NUMBER.

PNC Bank, National Association Trade Service Operations 500 First Avenue - 3rd Floor Pittsburgh, PA 15219 Mail stop: P7-PFSC-03-T

Customer Service: 1-800-682-4689 SWIFT Address: PNCCUS33



DATE: DECEMBER 31, 2009

ERICKOSN RETIREMENT COMMUNITIES MAIL STOP 101 P.O. BOX 22000 CATONSVILLE, MD 21228

#### ACCOUNTS RECEIVABLE ADVICE

OUR REFERENCE:

18107421-00-000

APPLICANT: BENEFICIARY:

ERICKSON RETIREMENT COMMUNITIES LLC

ZURICH AMERICAN INSURANCE CO.

THE FOLLOWING FEES ARE NOW DUE:

STANDBY COMMISSION

BILLING PERIOD: DAYS 10/01/2009 12/31/2009 92 1,250,000.00

BASIS AMOUNT

RATE 1.00% FEE AMOUNT

3,194.44

\$3,194.44

TOTAL AMOUNT DUE:

\$3,194.44

PLEASE SEND YOUR REMITTANCE BY CHECK PAYABLE TO PNC BANK, NATIONAL ASSOCIATION, INCLUDING OUR REFERENCE NUMBER AS IT APPEARS ABOVE. PLEASE ATTACH A COPY OF THIS ADVICE TO YOUR REMITTANCE AND FORWARD IT TO:

PNC BANK NATIONAL ASSOCIATION 500 FIRST AVENUE TRADE SERVICE OPERATIONS, 3RD FLOOR PITTSBURGH, PA 15219

SETTLEMENT CAN BE MADE VIA FEDWIRE TRANSFER TO PNC BANK N.A. FEDERAL RESERVE OF PITTSBURGH ABA 043000096, ACCOUNT 1017238669 ATTN: TRADE SERVICE OPERATIONS, PITTSBURGH, PA UNDER ADVICE TO US QUOTING OUR REFERENCE AS IT APPEARS ABOVE.

\*\* IN THE EVENT THIS INVOICE IS NOT PAID WITHIN 30 DAYS, A TRACER FEE WILL BE INCURRED.

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

BANK 40 ACCT>	600132166 SUBPRDCT 01	ACTION SUCCESSFU	6/10 14.19.47 <b>L</b> CENTER <b>0005592</b>
NAME ERICKSON RETIREME		RELATIONSHIP TIN	JOI 52-2003375
& 701 MAIDEN CHOICE ADDR BALTIMORE	LN MD 21228-5968	WTHLD CD PC CERTI	
ADDR BALLIMORE		DATE WTHLD CERT	01/23/2008
		BIRTH DATE	
		LAST MAINT DATE	01/23/2008
		REA PLAN	
	·	PACKAGE CD ADD	
COUNTRY		REMOV	ED
		KG APY CURRENT	BALANCE STAT
SEL SUB ACCOUNT RST			,020.94 99
01 3068 Y	03/24/2009 03/24/2010	-	,000.00 99
01 6030 Y	02/06/2010 08/06/2010 10/31/2009 04/30/2010	•	,000.00 99
01 3111 Y	10/31/2009 04/30/2010	.30 1,300	,
	TOTAL	3 4,669	,020.94

PF: 1-HELP 2-MSGS 3-PLVL 4-RRS 6-CIF 7-SB 8-SF 9-CI34 10-CI10 11-CI11 12-CI50

### REDACTED

Date: 02/16/2010 Time: 2:19:49 PM

BANK 40 MS ACTION SUCCESSFUL  ACCT> 3068 PROD> CDA BRANCH 00411 COST CENTER 000555  CUSTOMER NUMBER 3600132166 SUBPRDCT 01 FIXED RATE  NAME ERICKSON RETIREMENT COMM SUBOWNER 05 CORPORATION	
ORIGINAL PURCHASE 1,250,000.00 ISSUED 03/24/2009 STAT 99 ACTIVE MATURE 03/24/2010 TERM 12 M	
CURRENT BALANCE 1,294,020.94  ASSIGNMENTS/PLEDGES 1,287,531.44 REA PLAN  LAST REA RATE CHANGE	
INT ACCRUED TO 02/17/2010 978.50 PYMT METHOD TA INTEREST PYMT TO ACLAST INT PYMT 01/24/2010 1,317.49 PYMT FREQ IM MONTHLY FROM ISSUE INT ACCT#	CT
INTEREST PAID YTD  1,317.49 MAIL CODE O1 REGULAR MAIL INTEREST WITHHELD YTD  AIP STAT AIP GEN DATE	
INTEREST PAID LAST YR INTEREST WHLD LAST YR LAST DEPOSIT 01/24/2010  19,322.83 AIP PAYMENT AMT AIP NEXT INT PYMT DATE  1,317.49 AIP NEXT INT AMT	
FEATURE OPENED 03/24/2008 LAST ACTY 09/14/2009 REDEFINED TYPE CLOSED LAST MAINT 09/14/2009 BR/CC XFR	

PF: 1-HELP 2-MSGS 3-PLVL 9-CI34 10-CI50 11-CI11 12-CI15

# REDACTED

Date: 02/17/2010 Time: 10:21:07 AM

## EXHIBIT 8

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T vift: PNCCUS33 Jephone: 1-800-682-4689

(2) PNCBANK

DATE: JULY 16, 2009

ZURICH AMERICAN INSURANCE COMPANY TOWER 2 - 9TH FL., ATTN: E. HOOKS 1400 AMERICAN LANE SCHAUMBURG IL 60196-1056

#### NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:

18108167-00-000

TRANSACTION NUMBER:

3

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18108167-00-000 HAS BEEN EXTENDED TO NOVEMBER 15, 2010.

THIS IS NOT TO BE CONSIDERED AS AN AMENDMENT TO THE LETTER OF CREDIT. THIS IS FOR INFORMATION PURPOSES ONLY.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

Nothing Ind Copy

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T

Swift: PNCCUS33

phone: 1-800-682-4689

PNCBANK

DATE: JULY 22, 2008

ZURICH AMERICAN INSURANCE COMPANY TOWER 2 - 9TH FL., ATTN: E. HOOKS 1400 AMERICAN LANE SCHAUMBURG IL 60196-1056

#### NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:

APPLICANT:

18108167-00-000

TRANSACTION NUMBER:

ERICKSON RETIREMENT COMMUNITIES LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18108167-00-000 HAS BEEN EXTENDED TO NOVEMBER 15, 2009.

THIS IS NOT TO BE CONSIDERED AS AN AMENDMENT TO THE LETTER OF CREDIT. THIS IS FOR INFORMATION PURPOSES ONLY.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

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PNC Bank, National Association Trade Service Operations 3rd Floor 500 First Avenue Pittsburgh, PA 15219 Mail Stop: P7-PFSC-03-T

Swift: PNCCUS33

Telephone: 1-800-682-4689

PNCBANK

BENEFICIARY: ZURICH AMERICAN INSURANCE COMPANY

TOWER 2 - 9TH FL., ATTN: E. HOOKS 991 CORPORATE BLVD

1400 AMERICAN LANE

SCHAUMBURG IL 60196-1056

APPLICANT:

ERICKSON RETIREMENT COMMUNITIES LLC

LINTHICUM HEIGHTS, MD 21090

#### IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: AMOUNT:

18108167-00-000 USD \$1,875,000.00

ISSUE DATE:

OCTOBER 30, 2007 NOVEMBER 15, 2008

EXPIRY DATE: EXPIRY PLACE:

OUR COUNTERS

WE HAVE ESTABLISHED THIS CLEAN, IRREVOCABLE AND UNCONDITIONAL LETTER OF CREDIT IN YOUR FAVOR AS BENEFICIARY FOR DRAWINGS UP TO US\$1,875,000.00 (ONE MILLION EIGHT HUNDRED SEVENTY FIVE THOUSAND AND 00/100 UNITED STATES DOLLARS) EFFECTIVE IMMEDIATELY. THIS LETTER OF CREDIT IS ISSUED, PRESENTABLE AND PAYABLE AT OUR OFFICE AT PNC BANK, NATIONAL ASSOCIATION, TWO HOPKINS PLAZA BALTIMORE MD 21201, ATTN: STANDBY LETTER OF CREDIT DEPARTMENT, AND EXPIRES WITH OUR CLOSE OF BUSINESS ON NOVEMBER 15, 2008. EXCEPT WHEN THE AMOUNT OF THIS LETTER OF CREDIT IS INCREASED, THIS CREDIT CANNOT BE MODIFIED OR REVOKED WITHOUT YOUR CONSENT.

THE TERM "BENEFICIARY" INCLUDES ANY SUCCESSOR BY OPERATION OF LAW OF THE NAMED BENEFICIARY INCLUDING WITHOUT LIMITATION ANY LIQUIDATOR, REHABILITATOR, RECEIVER OR CONSERVATOR. DRAWINGS BY ANY LIQUIDATOR, REHABILITATOR, RECEIVER OR CONSERVATOR SHALL BE FOR THE BENEFIT OF ALL OF THE BENEFICIARY'S POLICYHOLDERS.

WE HEREBY UNDERTAKE TO PROMPTLY HONOR THE BENEFICIARY'S SIGHT DRAFT(S) DRAWN ON US, INDICATING OUR CREDIT NO. 18108167-00-000, FOR ALL OR ANY PART OF THIS CREDIT UPON PRESENTATION OF BENEFICIARY'S DRAFT DRAWN ON US AT OUR OFFICE SPECIFIED IN PARAGRAPH ONE ABOVE ON OR BEFORE THE EXPIRATION DATE HEREOF OR ANY AUTOMATICALLY EXTENDED EXPIRY DATE.

EXCEPT AS EXPRESSLY STATED HEREIN, THIS UNDERTAKING IS NOT SUBJECT TO ANY AGREEMENT, REQUIREMENT OR QUALIFICATION. THE OBLIGATION OF PNC BANK, NATIONAL ASOCIATION, UNDER THIS CREDIT IS THE INDIVIDUAL OBLIGATION OF PNC BANK, NATIONAL ASSOCIATION AND IS IN NO WAY CONTINGENT UPON REIMBURSEMENT WITH RESPECT THERETO, OR UPON OUR ABILITY TO PERFECT ANY LIEN, SECURITY INTEREST OR ANY OTHER REIMBURSEMENT.

THIS LETTER OF CREDIT IS DEEMED TO BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE YEAR FROM THE EXPIRATION DATE OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO SUCH EXPIRATION DATE, WE NOTIFY YOU BY REGISTERED MAIL OR OVERNIGHT COURIER AT THE ABOVE ADDRESS, THAT THIS LETTER OF CREDIT WILL NOT BE EXTENDED FOR ANY SUCH ADDITIONAL PERIOD.

Page 1 of 2

18108167-00-000

PNC Bank, National Association Trade Service Operations 3rd Floor 500 First-Avenue Pittsburgh, PA 15219

Mail Stop: P7-PFSC-03-T

Swift: PNCCUS33

Telephone: 1-800-682-4689



THIS LETTER OF CREDIT IS SUBJECT TO AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500 (THE "UCP"). IN THE EVENT OF ANY CONFLICT, THE LAWS OF THE STATE OF NEW YORK WILL CONTROL. IF THIS LETTER OF CREDIT EXPIRES DURING AN INTERRUPTION OF BUSINESS AS DESCRIBED IN ARTICLE 17 OF SAID PUBLICATION 500, THE BANK HEREBY SPECIFICALLY AGREES TO EFFECT PAYMENT IF THIS LETTER OF CREDIT IS DRAWN AGAINST WITHIN THIRTY (30) DAYS AFTER THE RESUMPTION OF BUSINESS.

PNC BANK, NATIONAL ASSOCIATION GLOBAL TRADE SERVICE OPERATIONS

18108167-00-000

FORM 116650-0505

Page 2 of 2

PNC Bank, National Association Trade Service Operations 500 First Avenue - 3rd Floor Pittsburgh, PA 15219 Mall stop: P7-PFSC-03-T

Customer Service: 1-800-682-4689 SWIFT Address: PNCCUS33



TRACER DATE: DECEMBER 30, 2009

ERICKSON RETIREMENT COMMUNITIES LLC MAIL STOP 101 P.O. BOX 22000 CATONSVILLE, MD 21228

#### STATEMENT OF LETTERS OF CREDIT PAST DUE FEES AND COMMISSIONS

OUR REFERENCE:

18108167-00-000

APPLICANT: ERICKSON RETIREMENT COMMUNITIES LLC

ZURICH AMERICAN INSURANCE COMPANY BENEFICIARY:

THE FOLLOWING FEES ARE NOW PAST DUE FOR THE BELOW LISTED LETTER OF CREDIT:

18108167-00-000:

09/30/2009

STANDBY COMMISSION

BILLING PERIOD:

DAYS

TRUOMA

RATE

COMMISSION

07/01/2009 09/30/2009 92

\$1,875,000.00

1.00

\$4,791.67

TOTAL AMOUNT DUE:

\$4,791.67

PLEASE SEND YOUR REMITTANCE BY OFFICIAL CHECK PAYABLE TO PNC BANK, NATIONAL ASSOCIATION, INCLUDING OUR REFERENCE NUMBER AS IT APPEARS ABOVE. PLEASE ATTACH A COPY OF THIS ADVICE TO YOUR REMITTANCE AND FORWARD IT TO:

PNC BANK NATIONAL ASSOCIATION FIRST SIDE CENTER 500 FIRST AVENUE, 3RD FLOOR P7-PFSC-03-T PITTSBURGH, PA 15219

OR

SEND YOUR REMITTANCE BY WIRE TRANSFER TO PNC BANK N.A., PITTSBURGH, PA ABA NUMBER 043000096 FOR CREDIT TO ACCOUNT NUMBER 1017238669 ATTN: TRADE SERVICE OPERATIONS, PITTSBURGH, PA UNDER ADVICE TO US QUOTING OUR REFERENCE AS IT APPEARS ABOVE.

SHOULD YOU REQUIRE ANY ASSISTANCE, PLEASE CONTACT GLOBAL TRADE SERVICE OPERATIONS AS SHOWN ABOVE. WHEN REFERRING TO THIS TRANSACTION, REMEMBER TO QUOTE OUR REFERENCE NUMBER.

PNC Bank, National Association Trade Service Operations 500 First Avenue - 3rd Floor Pittsburgh, PA 15219 Mail stop: P7-PFSC-03-T

Customer Service: 1-800-682-4689 SWIFT Address: PNCCUS33



DATE: DECEMBER 31, 2009

ERICKOSN RETIREMENT COMMUNITIES MAIL STOP 101 P.O. BOX 22000 CATONSVILLE, MD 21228

#### ACCOUNTS RECEIVABLE ADVICE

OUR REFERENCE:

18108167-00-000

APPLICANT: BENEFICIARY:

ERICKSON RETIREMENT COMMUNITIES LLC

ZURICH AMERICAN INSURANCE COMPANY

THE FOLLOWING FEES ARE NOW DUE:

STANDBY COMMISSION

BILLING PERIOD: DAYS 10/01/2009 12/31/2009 92 1,875,000.00

BASIS AMOUNT

RATE 1.00% FEE AMOUNT

4,791.67

\$4,791.67

TOTAL AMOUNT DUE:

\_\_\_\_\_ \$4,791.67

PLEASE SEND YOUR REMITTANCE BY CHECK PAYABLE TO PNC BANK, NATIONAL ASSOCIATION, INCLUDING OUR REFERENCE NUMBER AS IT APPEARS ABOVE. PLEASE ATTACH A COPY OF THIS ADVICE TO YOUR REMITTANCE AND FORWARD IT TO:

PNC BANK NATIONAL ASSOCIATION 500 FIRST AVENUE TRADE SERVICE OPERATIONS, 3RD FLOOR PITTSBURGH, PA 15219

OŔ

SETTLEMENT CAN BE MADE VIA FEDWIRE TRANSFER TO PNC BANK N.A. FEDERAL RESERVE OF PITTSBURGH ABA 043000096, ACCOUNT 1017238669 ATTN: TRADE SERVICE OPERATIONS, PITTSBURGH, PA UNDER ADVICE TO US QUOTING OUR REFERENCE AS IT APPEARS ABOVE.

\*\* IN THE EVENT THIS INVOICE IS NOT PAID WITHIN 30 DAYS, A TRACER FEE WILL BE INCURRED.

THIS IS A COMPUTER GENERATED DOCUMENT; A MANUAL SIGNATURE IS NOT REQUIRED.

02/16/10 CI15 2 IDS CDA/REA CUSTOMER INQUIRY

ACTION SUCCESSFUL MS BANK

COST CENTER 0005592 BRANCH 00411 PROD> CDA ACCT> 1887

01 FIXED RATE SUBPRDCT 3600132011 CUSTOMER NUMBER

SUBOWNER 05 CORPORATION ERICKSON RETIREMENT COMMU

RELATIONSHIP ERICKSON RETIREMENT COMMUNITIES NAME

52-2003375 TIN 991 CORPORATE BLVD æ

WTHLD CD PC CERTIFIED TIN MD 21090-2227 T.TNTHICUM HEIGHTS ADDR

01/23/2008 DATE WTHLD CERT

BIRTH DATE

LAST MAINT DATE 01/23/2008

REA PLAN

ADDED PACKAGE CD

REMOVED

COUNTRY

STAT CURRENT BALANCE MATURES PKG APY ISS/RENEW RST ACCOUNT SEL SUB 99 1,897,567.76

01/14/2010 01/14/2011 . 65 Y 220,000.00 99 .50 01/22/2010 03/10/2011

> 2,117,567.76 TOTAL

PF: 1-HELP 2-MSGS 3-PLVL 4-RRS 6-CIF 7-SB 8-SF 9-CI34 10-CI10 11-CI11 12-CI50

# REDACTED

Date: 02/16/2010 Time: 2:19:56 PM

C	110 3 IDS CDA/REA E	INANCIAL INQUIRY 02/17/10 10.21.13
	MS	ACTION SUCCESSFUL
BANK 40 ACCT>	1887 PROD> CI	DA BRANCH 00411 COST CENTER 0005592
CUSTOMER NUMBER 3	600132011 SUBPRDC	
NAME ERICKSON RETIREME	NT COMMU SUBOWNER	R 05 CORPORATION
ORIGINAL PURCHASE	1,875,000.00	ISSUED <b>01/14/2010</b> STAT <b>99 ACTIVE MATURE 01/14/2011</b> TERM <b>12 M</b>
CURRENT BALANCE	1,897,567.76	
ASSIGNMENTS/PLEDGES	1,875,000.00	REA PLAN
INT ACCRUED TO 02/17/20 LAST INT PYMT 02/14/20	1,080.74	LAST REA RATE CHANGE PYMT METHOD TA INTEREST PYMT TO ACCT PYMT FREQ IM MONTHLY FROM ISSUE INT ACCT#
W/H CODE PC LAST INT W INTEREST PAID YTD INTEREST WITHHELD YTD	2,856.06	MAIL CODE 01 REGULAR MAIL AIP STAT AIP GEN DATE
INTEREST PAID LAST YR INTEREST WHLD LAST YR	23,936.94	AIP PAYMENT AMT AIP NEXT INT PYMT DATE
LAST DEPOSIT 02/14/201	1,080.74	AIP NEXT INT AMT
FEATURE OPENED <b>12/21/2007</b> CLOSED	LAST ACTY 01/15/2 LAST MAINT 01/15/2	

PF: 1-HELP 2-MSGS 3-PLVL 9-CI34 10-CI50 11-CI11 12-CI15

# REDACTED

Date: 02/17/2010 Time: 10:21:14 AM

## EXHIBIT 9



TAWANA C. MARSHALL, CLERK THE DATE OF ENTRY IS ON THE COURT'S DOCKET



The following constitutes the ruling of the court and has the force and effect therein described.

Signed January 25, 2010

United States Bankruptcy Judge

How H.C. Jams

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

In re:

S CASE NO. 09-37010 (SGJ)

ERICKSON RETIREMENT
COMMUNITIES, LLC, et al., 1

Debtors.

S CHAPTER 11

S Jointly Administered

### ORDER AUTHORIZING DEBTORS TO CONTINUE THEIR LIABILITY AND OTHER INSURANCE PROGRAMS AND TO ENTER INTO FINANCING AGREEMENTS RELATED THERETO

Upon the Debtors' motion for an order authorizing the Debtors to continue their liability and other insurance programs and to enter into financing agreements related thereto (the "Motion"), and all as more fully set forth in the Motion; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C.

<sup>&</sup>lt;sup>1</sup> The Debtors in these Chapter 11 cases are Erickson Retirement Communities, LLC, Ashburn Campus, LLC, Columbus Campus, LLC, Concord Campus GP, LLC, Concord Campus, LP, Dallas Campus GP, LLC, Dallas Campus, LP, Erickson Construction, LLC, Erickson Group, LLC, Houston Campus, LP, Kansas Campus, LLC, Littleton Campus, LLC, Novi Campus, LLC, Senior Campus Services, LLC, Warminster Campus GP, LLC, Warminster Campus, LP.

§§ 157(b) and 364; and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409, and due and proper notice of the Motion having been provided to the necessary parties; and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the "Hearing"); and the appearances of all interested parties having been noted in the record of the Hearing; and upon the record of the Hearing and all of the proceedings had before the Court; and no objections having been received; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties in interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefore:

BASED UPON THE RECORD ESTABLISHED BEFORE THE COURT AT THE HEARING, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

- A. <u>Petition Date</u>. Commencing on October 19, 2009 (the "Petition Date"), the Debtors each filed voluntary petitions under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court" or this "Court"). The Debtors have continued in the management and operation of their business and property as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these cases.
- B. <u>Jurisdiction and Venue</u>. This Court has core jurisdiction over the cases, the Motion and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for relief sought herein are sections 105, 361, 362, 363 and 364

of the Bankruptcy Code and Bankruptcy Rules 2002, 4001, 6004 and 9014 and the Local Bankruptcy Rules.

- C. <u>Notice</u>. Due and appropriate notice of the Motion, the relief requested therein and the hearing having been served by the Debtors on (i) the Office of the United States Trustee for the Northern District of Texas; (ii) counsel to the Official Creditors' Committee; (iii) counsel to PNC Bank, National Association ("PNC"); (iv) counsel to the prepetition secured lenders; and (v) any known lienholders whose liens are being primed in compliance with Bankruptcy Rule 4001(b) and (c) and the Local Bankruptcy Rules.
- D. Opportunity to be Heard. Pursuant to Bankruptcy Rule 4001, the Hearing on the Motion was held before this Court to consider entry of this Order on or about January 13, 2009.
- E. <u>Disposition</u>. The Motion is granted. Any objections to the Motion with respect to entry of this Order that have not been withdrawn, waived or settled, and all reservations of rights therein, are hereby denied and overruled for purposes of this Order.
- F. Findings Regarding the Insurance Program and Related Extension of Credit. Good cause has been shown for entry of this Order. The Debtors have an immediate need to enter into the various agreements relating to the Liability Insurance Policies and Workers Compensation Policies as set forth in the Motion, including but not limited to the Collateral Trust Agreement, and to obtain the extension of credit contemplated in the Motion, including the extension and issuance of Letters of Credit, in order to, among other things, maintain their general liability, workers compensation and other insurance critical and necessary for their operations. The access of the Debtors to credit pursuant to the Motion is essential to the preservation and maintenance of the

going concern values of the Debtors and to a successful reorganization. The Debtors are currently unable to obtain the necessary credit on more favorable terms from sources other than PNC and are unable to obtain adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The Debtors are also unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2) and 364(c)(3) of the Bankruptcy Code without granting PNC the liens on the LOC Collateral (as defined below) and the administrative claims under the terms and conditions set forth in this Order. The terms of the proposed credit are fair and reasonable, a reflection of the Debtors' prudent business judgment and constitute reasonably equivalent value and fair consideration. The extension of credit has been negotiated in good faith and at arm's length between the Debtors and PNC, and the credit extended by PNC shall be deemed to be extended in good faith, as that term is used in section 364(e) of the Bankruptcy Code, which section shall be applicable in the event this Order or any provision herein is vacated, reversed or modified, on appeal or otherwise.

- G. <u>PNC's Protections</u>. PNC is willing to provide certain financial accommodations (the "Letter of Credit Facility") to the Debtors by renewing and/or issuing letters of credit identified on <u>Exhibit A</u> attached hereto, and such additional letters of credit as may be issued or renewed by PNC in its sole and absolute discretion (collectively, the "Letters of Credit") only on the terms and conditions and with the protections provided herein, and PNC is relying on such terms, conditions, and protections in agreeing to provide financial accommodations to the Debtors hereunder.
- H. <u>Immediate Entry of Order</u>. The Debtors have requested that this Order become immediately effective and enforceable upon entry, notwithstanding any

provisions that may apply in Bankruptcy Rules 6004(h), 6006(d), 7062, or 9014 or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure. The Debtors have demonstrated good cause for entry of this Order and for this Order to become immediately effective and enforceable upon entry. Among other things, entry of this Order and the immediate effectiveness and enforceability of this Order upon entry will minimize disruption of the Debtors' business operations and permit the Debtors to maintain insurance necessary for their operations, will increase the possibility for confirmation of a successful Chapter 11 plan, and is in the best interests of the Debtors, their creditors and the bankruptcy estates. The terms of the borrowings and other financial accommodations authorized hereby are fair and reasonable under the circumstances and reflect the Debtors' exercise of prudent business judgment.

#### ACCORDINGLY, IT IS HEREBY ORDERED THAT:

- 1. <u>Incorporation of Stipulations and Findings</u>. The above-described stipulations and findings are incorporated as if fully set forth herein, and the parties are hereby authorized to take all actions necessary to effectuate the terms and conditions of this Order.
- Agreement. The Debtors shall be and they each hereby are, authorized to enter into, perform, execute and deliver all documents, take all actions necessary to immediately continue and fully implement the Letter of Credit Facility in accordance with the terms, conditions, agreements and releases set forth herein, all of which are hereby approved. This Order shall serve as a written security agreement in all respects for purposes of confirming and granting to PNC prior, superior, valid and perfected liens and security

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interests in and to any and all certificates of deposit (INCLUDING THOSE IDENTIFIED ON EXHIBIT A HERETO) securing the LOC Obligations (defined below), and all proceeds and replacements thereof (collectively, the "LOC Collateral"). There are no liens, claims, encumbrances or interests of any kind or nature whatsoever, which shall be senior to the liens and security interests of PNC granted herein in and to the LOC Collateral. The LOC Collateral shall not be deemed "DIP Collateral" as that term is defined in the Final Order (I) Authorizing Borrowers to Obtain Postpetition Financing on a Senior Secured Superpriority Basis Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, and 364; (II) Granting Adequate Protection to Prepetition Secured Lenders Pursuant to 11 U.S.C. §§ 361, 363 and 364; and (III) Granting Related Relief (the "DIP Financing Order").

3. LOC Obligations. The Debtors jointly and severally shall reimburse PNC on the day of drawing (or upon such later date as the Debtors receive notice of the payment of a presented draft by PNC) upon any Letter of Credit (either with the proceeds of the LOC Collateral or otherwise) in same day funds in the amount of the drawing. If the Debtors fail to reimburse PNC as provided herein, the unreimbursed amount of such drawing shall bear interest at a per annum rate equal to 2% over PNC's prime rate. The Debtors' reimbursement obligations hereunder shall be absolute and unconditional under all circumstances irrespective of any rights of set-off, counterclaim or defense to payment any of the Debtors may have against PNC, the beneficiary of any Letter of Credit or any other person, including without limitation any defense based on any failure of the Debtors to receive consideration, or the legality, validity, regularity or enforceability of the Letter of Credit, or any claim related to the presentment of the draft presented upon the Letter of

Credit. The Debtors jointly and severally agree to reimburse PNC on account of any claim, loss or expense related to the issuance of Letters of Credit, including but not limited to reasonable attorneys fees incurred by PNC. The Debtors jointly and severally agree to pay to PNC such issuance, amendment and other fees as PNC quotes from time to time with respect to each Letter of Credit, and shall execute such applications, reimbursement agreements, or other documents as PNC requires (and consistent with this Order) from time to time with respect to the issuance, extension, amendment or any requested or required action concerning a Letter of Credit. The obligations set forth in this Paragraph shall be referred to as the "LOC Obligations." For so long as any LOC Obligations remain outstanding, the Debtors shall maintain, for the benefit of PNC and in such form as PNC may require, LOC Collateral in an amount sufficient to secure and satisfy all LOC Obligations. It is a condition for the extension of Letter of Credit No. 18106086 that an additional \$220,000 certificate of deposit be provided by 5 p.m. E.T. on January 30, 2009.

4. Grant of Security Interest. To secure the LOC Obligations and as adequate protection for PNC's interests in the LOC Collateral, the Debtors hereby grant, assign and convey to PNC a superior, perfected, non-avoidable, lien on and security interest in, all of the Debtors' right, title and interest in and to the LOC Collateral, and any and all proceeds of the foregoing. All liens and security interests granted herein shall be deemed valid and perfected without the need of the execution or filing of any financing statements, control agreements, assignments or other documents and without regard to applicable state, federal or local filing or recording statutes which may affect the perfection of liens and security interests in or assignment of property. The security

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interests and liens granted herein shall be, and hereby are, in addition to all security interests, liens and right existing in favor of PNC as of the Petition Date.

- 5. <u>Liens and Priorities Granted to PNC</u>. The rights and interests of PNC granted pursuant to this Order shall be for all purposes as follows:
- (a) The liens and security interests of PNC granted herein are and shall be at all times and for all purposes remain paramount and superior, pursuant to 11 U.S.C. §§ 364(c)(2) and (d)(1), to any other debts, obligations, interests or liens of any kind or nature asserted against any or all of the LOC Collateral, whether arising prior to or after the Petition Date, including but not limited to any rights which may have been or may hereafter be granted in any cash collateral or financing order, including but not limited to the DIP Financing Order.
- (b) If PNC has exhausted the LOC Collateral provided by the Debtors in accordance with this Order, all remaining LOC Obligations shall be deemed administrative claims pursuant to 503(b)(1) of the Bankruptcy Code, equal or superior to other allowed administrative claims in these estates; provided, however, that any administrative priority claims of PNC shall be subject to the Carve-Out, as defined and provided in the DIP Financing Order. The administrative priority claim of PNC arising from this Order shall not be subject to objection by the Debtors, any subsequently appointed trustee(s) or any party in interest for any reason whatsoever other than to verify the actual amount thereof.
- 6. Non-Surcharge of LOC Collateral. The LOC Collateral shall not be subject to any claim, cost or charge asserted pursuant to 11 U.S.C. § 506(c) by any person or entity. Any and all rights to payment, rights to surcharge or any other right which may

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be asserted pursuant to 11 U.S.C. § 506(c) against the LOC Collateral by the Debtors shall be, and are deemed to be, voluntarily released and waived in favor of PNC.

- 7. Release of LOC Collateral. PNC shall have no obligation to: (a) release any of the LOC Collateral delivered to it pursuant to the terms hereof; or (b) turnover or otherwise transfer the proceeds thereof, until such time as the Letters of Credit are returned, released and discharged, in form and substance satisfactory to PNC. Any return of LOC Collateral shall be conditioned upon the remaining LOC Obligations being fully collateralized.
- 8. No Commitment. Except as expressly provided herein, entry of this Order and consummation of the transactions contemplated herein shall not be a commitment by PNC to renew and/or issue additional letters of credit on behalf of the Debtors or any party or increase the amount of any existing Letters of Credit. PNC, in its sole and absolute discretion, may renew, extend and/or issue additional Letters of Credit at the request of the Debtors on a fully–collateralized basis. The terms of this Order, including the LOC Obligations, priorities and liens set forth herein, shall apply to all Letters of Credit renewed, extended or issued by PNC after entry of this Order, and to the collateral provided to PNC in relation thereto.
- 9. <u>No Impairment.</u> This transaction, the execution of the documents, instruments and agreements contemplated hereby, shall not impair or otherwise affect any rights which PNC may have by contract or applicable law. This transaction, the execution of the documents, instruments and agreements contemplated hereby, and the enforcement of rights hereunder shall not be deemed an election or exercise of remedies by PNC.

10. <u>Notice</u>. Any notice to be given or other written matter to be delivered pursuant to this Order shall be deemed validly served either upon personal delivery thereof or via a nationally–recognized courier service or upon written acknowledgement of receipt if transmitted via facsimile transmission:

#### If to the Debtors:

Thomas R. Califano, Esquire DLA Piper LLP (US) 1251 Avenue of the Americas New York, New York 10020-1104 Facsimile: (212) 884-8690

#### If to PNC:

James M. Smith, Esquire Lisa Bittle Tancredi, Esquire Gebhardt & Smith, LLP One South Street, Suite 2200 Baltimore, Maryland, 21202 Facsimile: (410) 385-5119

- 11. <u>Binding Effect.</u> The terms and conditions of this Order and any actions taken pursuant hereto are binding upon and shall inure to the benefit of the Debtors, their creditors, any representatives of these estates, any official or unofficial committees, PNC and any and all successors and assigns of the foregoing, including but not limited to any reorganized or successor entities.
- 12. <u>Survival of Rights</u>. The liens, security interests, priorities, remedies, rights to payment and all other rights granted to PNC pursuant to this Order may not, and shall not be, affected, modified, altered, impaired or amended by, and shall survive without modification in any way: (a) the dismissal of any of these cases; (b) the conversion of any of these cases to Chapter 7 of the Bankruptcy Code; (c) the confirmation of any plan of reorganization or liquidation of any of these cases, whether

filed by one or more of the Debtors or a party in interest; (d) any order confirming such plan(s); (e) the filing of a new bankruptcy case by or against the Debtors or their successors; and (f) any other financing, extensions of credit or grant of adequate protection, whether made pursuant to sections 361, 362, 363 or 364 of the Bankruptcy Code or otherwise, absent express written consent of PNC. Notwithstanding the satisfaction of the LOC Obligations, the liens and security interests of PNC in existence as of the Petition Date and granted pursuant to this Order shall continue and remain in effect until all LOC Obligations have been finally and indefeasibly paid and PNC is granted an enforceable release of all letter of credit obligations on behalf of the Debtors' estates and the applicable letter of credit beneficiaries through the date of such final payment.

- 13. <u>Final Order</u>. This Order is a final order of the Bankruptcy Court. Notwithstanding Bankruptcy Rule 7062, the terms and conditions of this Order shall be effective and immediately enforceable upon its entry pursuant to Bankruptcy Rule 8005; and (b) shall not be stayed absent: (i) an application by a party in interest for such stay in accordance with Bankruptcy rule 8005; and (ii) a hearing upon notice to the Debtors and PNC.
- 14. Reversal or Modification of Order. If any or all of the provisions of this Order are reversed, modified, vacated or stayed then such reversal, stay or modification or vacation shall not affect: (a) the validity of any rights, lien, security interest, obligation, indebtedness or liability, or (b) the validity and enforceability of any priority granted to any lien, security interest, obligations, indebtedness or liability incurred, authorized or created hereunder prior to the receipt of notice by PNC of such reversal,

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modification, vacation or stay, and any such indebtedness, obligation or liability shall be governed in all respects by the original provisions of this Order.

- Modification of Automatic Stay. The automatic stay pursuant to section 362 of the Bankruptcy Code is hereby modified to the extent necessary to permit PNC, without further notice or order of the Court, to receive proceeds of LOC Collateral and apply them to the LOC Obligations, or to file any financing statements or other instruments and documents, if any, evidencing its security interests in and liens on the LOC Collateral, and for all other purposes necessary to effect the terms and conditions of this Order and to afford PNC the benefits, safeguards and protections provided for herein.
- 16. <u>Headings and Capitalized Terms</u>. The headings used herein are for convenience only, and do not in any way limit, amplify or affect the terms or conditions hereof. All capitalized terms used but not defined herein shall have the meanings provided in the Motion.
- 17. <u>Insurance Policies</u>. Pursuant to Bankruptcy Code sections 363, 364 and 105(a), the Debtors are authorized, but not directed, to renew their Insurance Policies and enter into any Financing Agreements or other agreements related thereto, all of which will be on substantially similar terms as the policies and agreements that existed prior to the Petition Date. The Debtors are authorized to execute any other documents required to facilitate the Financing Agreements and renew the Insurance Policies.

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### EXHIBIT A Letters of Credit and Pledged Certificates of Deposit

#### **Letters of Credit**

Beneficiary	LOC Number	<u>Amount</u>
CNA	18107082	\$3,000,000
CNA	18106388	\$1,500,000
Travelers	18106730	\$ 893,800
Zurich	18107083	\$1,000,000
Zurich	18107421	\$1,250,000
Zurich	18108167	\$1,875,000
Zurich	18106392	\$1,875,000
Pa. Manufacturers	18106690	\$ 220,000
United Healthcare Services	18106086	\$ 500,000

#### **Certificates of Deposit**

COD Number	<u>Amount</u>
31300320742	\$3,253,869.76
31000323111	\$1,500,000.00
31300326005	\$ 898,595.27
31100346209	\$1,086,777.41
31000323068	\$1,292,703.45
31200326030	\$1,875,000.00
31600321887	\$1,896,487.02
31500337058	\$ 506,376.70

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Attorneys for the Debtors and Debtors in Possession

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

In re:	§	CASE NO. 09-37010 (SGJ)
ERICKSON RETIREMENT	8 §	CHAPTER 11
COMMUNITIES, LLC, et al., 1	§ 8	Jointly Administered
Debtors.	§	<b>,</b>

### DEBTORS' AMENDED MOTION FOR ORDER AUTHORIZING THE DEBTORS TO CONTINUE THEIR LIABILITY AND OTHER INSURANCE PROGRAMS AND TO ENTER INTO FINANCING AGREEMENTS RELATED THERETO

The above-captioned debtors and debtors in possession (collectively, the "<u>Debtors</u>") by their proposed attorneys, DLA Piper LLP (US) ("<u>DLA Piper</u>"), hereby move (the "<u>Motion</u>"), pursuant to section 105(a), 361, 362, 363, and 364 of title 11 of the United States Code (the "<u>Bankruptcy Code</u>"), this Court for entry of an order authorizing the Debtors to continue their

<sup>&</sup>lt;sup>1</sup> The Debtors in these Chapter 11 cases are Erickson Retirement Communities, LLC, Ashburn Campus, LLC, Columbus Campus, LLC, Concord Campus GP, LLC, Concord Campus, LP, Dallas Campus GP, LLC, Dallas Campus, LP, Erickson Construction, LLC, Erickson Group, LLC, Houston Campus, LP, Kansas Campus, LLC, Littleton Campus, LLC, Novi Campus, LLC, Senior Campus Services, LLC, Warminster Campus GP, LLC, Warminster Campus, LP.

liability and other insurance programs and to enter into financing and other agreements related thereto. In support of the Motion, the Debtors respectfully state as follows:

#### **JURISDICTION**

- 1. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1334. This matter is a core proceeding as defined in 28 U.S.C. § 157(b)(2). Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.
- 2. This Motion is made pursuant to sections 105(a), 361, 362, 363(b), and 364(d) of the Bankruptcy Code.

#### **BACKGROUND**

- 3. On October 19, 2009 (the "Petition Date"), the Debtors each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.
- 4. The Debtors continue to possess their properties and to manage their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.
- 5. On November 2, 2009, the Office of the United States Trustee appointed a committee of unsecured creditors (the "Committee") in these cases. No trustee or examiner has been appointed.
- 6. The factual background regarding each of the Debtors, including their current and historical business operations and the events precipitating these chapter 11 filings, is set forth in detail in the Affidavit of Paul Rundell in Support of First Day Motions [Docket No. 15] (the "Rundell Affidavit"), and is incorporated herein by reference.
- 7. On October 22, 2009, the Debtors filed their Motion for an Order (I) Approving Commitment Fee, Break-up Fee, Expense Reimbursement Payments to Plan Sponsor and Shop Provisions; (II) Approving Bidding Procedures for the Sale of Substantially All of the Debtors' Assets; (III) Approving Procedures for the Cure, Assumption and Assignment of Contracts; (IV)

Scheduling Hearings to Consider (A) Approval of the Disclosure Statement and Approval of Solicitation Procedures and (B) Confirmation of Plan of Reorganization; (V) Establishing Deadlines to Object to the Disclosure Statement and Plan of Reorganization; and (VI) Granting Related Relief [Docket No. 81] (the "Sale Motion"). Pursuant to the Sale Motion, the Debtors requested that the Court approve bidding procedures, bidding protections, a breakup fee, and the sale of the Assets.

- 8. On November 6, 2009, the Court entered an order approving the bidding procedures, breakup fee, and other bidding protections [Docket No. 272] (the "Bidding Procedures Order"). Pursuant to the Bidding Procedures Order, the Court set the deadline for submitting qualified bids for December 14, 2009 with an auction (the "Auction") to be held on December 22, 2009 in the event qualified bids were submitted. No hearing date has been set for the final sale hearing, but the Debtors expect the final sale hearing to occur on or about January 2010.
- 9. On November 13, 2009, the Debtors filed their plan of reorganization [Docket No. 293] (the "Plan") and related disclosure statement [Docket No. 292] (the "Disclosure Statement"). Pursuant to the Plan, the Debtors seek to sell substantially all of their assets to Redwood-ERC Senior Living Holdings, LLC, Redwood-ERC Management, LLC, Redwood-ERC Development, LLC, Redwood-ERC Properties, LLC and Redwood-ERC Kansas, LLC (collectively, "Redwood") or such other higher or better bidder determined through the sale process.
- 10. On December 22, 2009, an auction was held in which Redwood and related entities were determined to be the successful bidder of substantially all of the Debtors' assets.
  - 11. On December 30, 2009, the Debtors filed their amended plan of reorganization

[Docket No. 605] and amended disclosure statement [Docket No. 604] to address the outcome of the Auction and the successful bid of Redwood for the purchase of substantially all of the Debtors' assets.

#### **INSURANCE AGREEMENTS**

- 12. The Debtors maintain two (2) professional and general liability insurance policies (the "Liability Insurance Policies") and two (2) workers' compensation insurance policies (the "Workers' Compensation Policies", collectively with the Liability Insurance, the "Insurance Policies") in connection with the operation of their business. The Liability Insurance Policies are provided by Continental Casualty Company and Columbia Casualty Company (collectively "CCC") and Travelers Companies, Inc. ("Travelers"). The Workers' Compensation Policies are provided by Zurich American Insurance Company ("Zurich") and Pennsylvania Manufacturers' Association Insurance Company ("PMAIC", collectively with CCC, Travelers, and Zurich, the "Insurance Providers").<sup>2</sup>
- 13. In lieu of paying the insurance premiums on all of the Insurance Policies on a lump-sum basis, in the ordinary course of the Debtors' business, the Debtors finance the premiums on their Insurance Policies pursuant to premium financing agreements with third-party lenders. In exchange for the financing, the Debtors pay monthly installments in accordance with a pre-set payment schedule. For current year policies, the Debtors have paid all premiums and are not obligated to make postpetition payments.
- 14. Pursuant to the Insurance Policies, the Debtors are required to issue letters of credit (the "Letters of Credit") for the benefit of each of the Insurance Providers. Each of the Letters of Credit relating to the Insurance Policies are provided by PNC Bank, National

<sup>&</sup>lt;sup>2</sup> The Workers' Compensation Policy provided by PMAIC is not a current policy, but there are a few outstanding claims under this policy.

Association ("PNC Bank") and are collateralized by certificate of deposits, on which PNC Bank has a first priority lien (the "Certificates of Deposits"). The Letters of Credit are described below:

- Letter of Credit (xxxx7421) totals \$1,250,000 and is collateralized by a Certificate of Deposit (xxxxxx3068) in an amount of at least \$1,250,000. The Letter of Credit is issued for the beneficiary of Zurich and relates to Erickson Retirement Communities, LLC's ("ERC's") self-insured master workers' compensation insurance program, which covers ERC, its subsidiaries, and the independent not-for-profit organizations managed by the Debtors (the "NFPs"). The primary purpose of this Letter of Credit is to collateralize potential future workers' compensation claims that have been incurred but not reported to date;
- Letter of Credit (xxxx6392) totals \$1,875,000 and is collateralized by a Certificate of Deposit (xxxxxx1887) in an amount of at least \$1,875,000. This Letter of Credit is issued for the beneficiary of Zurich and relates to ERC's self-insured master workers' compensation insurance program, which covers ERC, its subsidiaries, and the NFPs. The primary purpose of this Letter of Credit is to collateralize potential future workers' compensation claims that have been incurred but not reported to date;
- Letter of Credit (xxxx7082) totals \$3,000,270 and is collateralized by a Certificate of Deposit (xxxxxxx0742) in an amount of at least \$3,000,270. This Letter of Credit is issued for the beneficiary of CCC and relates to ERC's self-insured master professional and general liability insurance program, which covers ERC, its subsidiaries, and the NFPs. The primary purpose of this Letter of Credit is to collateralize potential future professional and general liability insurance claims that have been incurred but not reported to date;
- Letter of Credit (xxxx6730) totals \$894,443.64 and is collateralized by a Certificate of Deposit (xxxxxxx6005) in an amount of at least \$894,443.64. This Letter of Credit is issued for the beneficiary of Travelers and relates to Erickson Construction, LLC's ("Erickson Construction's") self-insured professional and general liability insurance program, which covers ERC, its subsidiaries, and the NFPs. The primary purpose of this Letter of Credit is to collateralize potential future professional and general liability insurance claims that have been incurred but not reported to date;
- Letter of Credit (xxxx6388) totals \$1,500,000 and is collateralized by a Certificate of Deposit (xxxxxx3111) in an amount of at least \$1,500,000. This Letter of Credit is issued for the benefit of CCC and relates to ERC's self-insured master professional and general liability insurance program, which covers ERC, its subsidiaries, and the NFPs. The primary purpose of this Letter of Credit is to collateralize potential future

<sup>&</sup>lt;sup>3</sup> Note that this program does not cover Dallas Campus, LP, Houston Campus, LP, or the Highland Springs, Inc. or Eagle's Trace, Inc., the Texas not-for-profit organizations. These entities have special Texas benefit plans.

general liability insurance claims that have been incurred but not reported;

- Letter of Credit (xxxx8167) totals \$1,875,000 and is collateralized by a Certificate of Deposit (xxxxxx6030) in an amount of at least \$1,875,000. This Letter of Credit is issued for the benefit of Zurich and relates to ERC's self-insured master workers' compensation insurance program, which covers ERC, its subsidiaries, and the NFPs. The primary purpose of this Letter of Credit is to collateralize potential future workers' compensation claims that have been incurred but not reported;
- Letter of Credit (xxxx7083) totals \$1,000,000 and is collateralized by a Certificate of Deposit (xxxxxxx6209) in an amount of at lease \$1,000,000. This Letter of Credit is issued for the benefit of Zurich and relates to ERC's self-insured master workers' compensation insurance program, which covers ERC, its subsidiaries, and the NFPs. The primary purpose of this Letter of Credit is to collateralize potential future workers' compensation claims that have been incurred but not reported; and
- Letter of Credit (xxxx6690) totals \$220,000 and is issued for the beneficiary of PMAIC. The Letter of Credit relates to ERC's self-insured master workers' compensation insurance program, which covers ERC, its subsidiaries and the NFPs. The primary purpose of the Letter of Credit is to collateralize potential future workers' compensation claims that have been incurred but not reported to date. This is the only Letter of Credit that is not collateralized with a Certificate of Deposit, and the Debtors shall provide PNC Bank with a certificate of deposit in the amount of at least \$220,000 on or before the later of (a) ten (10) days after the entry of an Order approving this Motion, or (b) January 31, 2010.
- 15. With respect to the renewal of the Insurance Policies, the Debtors seek authorization to permit them to enter into new premium financing agreements (the "Financing Agreements") with the Insurance Providers, obtain the renewal of the Letters of Credit related thereto, pledge additional collateral sufficient to fully secure the Letters of Credit, confirm that PNC holds first priority liens on the collateral securing the Letters of Credit, and enter into any related agreements necessary to effectuate the renewal of the Insurance Policies.
- 16. Each of the Insurance Policies and related Letters of Credit expired on or after January 1, 2010. The Debtors are in the process of negotiating the renewal of the Insurance Policies, Letters of Credit, and Financing Agreements, all of which will be on substantially similar terms as the policies and agreements that existed prior to the Petition Date and/or as set

forth in the attached proposed order.

- 17. The Debtors recently negotiated an agreement with CCC for the renewal of their Liability Insurance Policy. Under the renewed Liability Insurance Policy, the annual premium is approximately \$1.355 million, which the Debtors will finance in two installments over the course of the year. Moreover, the Debtors are required to establish a collateral trust pursuant to a collateral trust agreement (the "Collateral Trust Agreement"). The funds from the collateral trust will be used to reimburse, as needed, on-going claims asserted under the policy for 2010. Pursuant to the Collateral Trust Agreement, the Debtors are required to make a down payment of approximately \$490,000 to the trust on January 15, 2010, and a payment of \$196,000 per month for ten months thereafter.
- 18. The Debtors are still in the process of negotiating the details of the remaining Insurance Policy renewals and related Financing Agreements.

#### REQUESTED RELIEF

19. By this Motion, the Debtors request the entry of an order pursuant to Bankruptcy Code sections 105(a), 361, 362, 363(b), and 364(d) authorizing, but not requiring, the Debtors, in accordance with their stated Insurance Polices and in the ordinary course of business, to honor the obligations under their current insurance premium financing agreements as well as to enter into new Financing Agreements (on terms substantially similar to those in place) with respect to the renewal of the Insurance Policies, to renew the Letters of Credit as set forth in the Order submitted with this Motion, and to enter into the Collateral Trust Agreement and enter into any related agreements necessary to effectuate the renewal of the Insurance Policies and enter into any related agreements necessary to effectuate the renewal of the Insurance Policies.

#### **BASIS FOR REQUESTED RELIEF**

- 20. Bankruptcy Code section 105(a) provides that a court may issue any order that is "necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a).
- 21. Bankruptcy Code section 363(b)(1) governs transactions outside the ordinary course of business and provides that a trustee or debtor in possession may enter into such transactions after notice and a hearing. See 11 U.S.C. § 363(b). It is well recognized that the use, sale, or lease of assets outside the ordinary course of business is permitted if supported by a sound business justification for the transaction. See In re Continental Air Lines, Inc., 780 F.2d 1223, 1226 (5th Cir. 1986) ("[F]or the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business."); see also In re Lionel Corp., 722 F.2d 1063, 1071 (2d Cir. 1983). The debtor in possession or trustee must establish that there is some articulated business justification for using, selling, or leasing the property outside the ordinary course of business. See Continental, 780 F.2d at 1226; Matter of Baldwin United Corp., 43 B.R. 888, 906 (Bankr. S.D. Ohio 1984) (debtor in possession is required to "justify the proposed [transaction] with sound business reasons"); Matter of St. Petersburg Hotel Assoc. Ltd., 37 B.R. 341, 343 (Bankr. M.D. Fla. 1983) (Bankruptcy Code section 363 "also impliedly requires the Court to find that it is good business judgment for the Debtor to enter into" the transaction). Whether the proffered business justification is sufficient depends on the facts of each case, and the bankruptcy court "should consider all salient factors pertaining to the proceeding and, accordingly, act to further the diverse interests of the debtor, creditors and equity holders." Lionel, 722 at 1071.

- 22. Bankruptcy Code section 364(d) addresses the extension of credit to a debtor and provides that the court, after notice and a hearing, may authorize the obtaining of credit or the incurring of debt secured by a senior/equal lien on the estate's property that is subject to a lien if: "(A) the trustee is unable to obtain such credit otherwise; and (B) there is adequate protection of the interest of the holder of the lien on the property of the estate on which such senior or equal lien is proposed to be granted." 11 U.S.C. § 364(d)(1).
- 23. In this case, the Debtors believe that sufficient business justifications exist to renew the Insurance Policies and to finance the renewal of the same by means of the Financing Agreements and the Collateral Trust Agreement. The Debtors submit that the use of their estates' funds for payment of the Insurance Policies is permitted by Bankruptcy Code sections 363(b) and 105(a) as necessary costs of preserving the estates. Because of the nature of the Debtors' business, it is essential that the Debtors maintain uninterrupted insurance coverage and enter into the Financing Agreements and Collateral Trust Agreement and renew the Letters of Credit. If the Debtors are not able to enter into the Financing Agreements, then the Debtors would be required to pay up-front for the Insurance Policies. Such a requirement would negatively impact the Debtors' cash flow and their estates. The Debtors believe that it is in their best interest to renew their current Insurance Policies, enter into new Financing Agreements and the Collateral Trust Agreement, and renew the Letters of Credit, as required by the Debtors' prudent business practices.
- 24. In addition, with respect to the Letters of Credit, the Debtors satisfy the requirements of Bankruptcy Code section 364(d) because the Debtors are not able to obtain or renew letters of credit unless the letters of credit are fully collateralized. If the Debtors were to seek a letter of credit facility from a party other than PNC, they would be required pledge new

collateral in an amount sufficient to fully secure their reimbursement obligations. The Debtors do not have ready access to new cash or cash equivalents in an amount that would be required by a new issuer of letters of credit.

WHEREFORE, the Debtors respectfully request this Court grant the relief requested in the Motion, enter an order in the form attached hereto and grant such other and further relief as may be just and proper.

Dated: January 6, 2009 Dallas, Texas

#### DLA PIPER LLP (US)

By: /s/ Vincent P. Slusher Vincent P. Slusher State Bar No. 00785480 vince.slusher@dlapiper.com DLA Piper LLP (US) 1717 Main Street, Suite 4600 Dallas, Texas 75201 Tel.: (214) 743-4572 Fax: (972) 813-6267

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February 24, 2010

WILMINGTON OFFICE: SUITE 45I 90I MARKET STREET WILMINGTON, DELAWARE 1980I TELEPHONE: (302) 656-9002 FACSIMILE: (302) 429-5953

#### VIA HAND DELIVERY

BMC Group, Inc.

Attn.: Erickson Retirement Communities, LLC

Claims Processing 18750 Lake Drive East

Chanhassen, Minnesota 55317

RECEIVED

FEB 24 2010

BMC GROUP

Re:

Debtor:

Erickson Retirement Communities, LLC

Case No.:

09-37010

Creditor:

PNC Bank, National Association, successor to

Mercantile-Safe Deposit and Trust Company

#### Dear Sir or Madame:

Enclosed for filing in the above-referenced bankruptcy case is a Proof of Claim by PNC Bank, National Association, successor to Mercantile-Safe Deposit And Trust Company. The Proof of Claim consists of: (1) the original, fully executed Proof of Claim cover sheet; and (2) the Rider to the Proof of Claim cover sheet (with exhibits).

Please file the Proof of Claim in the Debtor's bankruptcy case, date stamp the enclosed copy of the Proof of Claim cover sheet, and return it to the person delivering this package.

Thank you for your attention to this matter. Please do not hesitate to call me if you have any questions.

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Enclosures JSB:lb