

<b>UNITED STATES BANKRUPTCY COURT</b> <b>Northern District of Texas</b>		<b>PROOF OF CLAIM</b>
Name of Debtor: <b>ERICKSON RETIREMENT COMMUNITIES, LLC</b>		Case Number: <b>09-37010</b>
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): <b>PNC Bank, National Association, Successor To Mercantile-Safe Deposit and Trust Company</b>		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.  Court Claim Number: _____ (If known)  Filed on: _____
Name and address where notices should be sent: <b>PNC Bank, National Association, Mail Stop: C3-CA01-19-1</b> <b>Two Hopkins Plaza, 19th Floor, Baltimore, MD 21201</b> <b>Attn: Wendy Andrus, Vice President</b>  Telephone number: <b>(410) 237-5923</b>		<div style="text-align: center; font-size: 1.2em;"> <b>RECEIVED</b>   <b>FEB 24 2010</b>   <b>BMC GROUP</b> </div>
Name and address where payment should be sent (if different from above): <b>PNC Bank, National Association</b> <b>Mail Stop: C3-CA01-19-1, Two Hopkins Plaza, 19th Floor, Baltimore, MD 21201</b> <b>Attn: Wendy Andrus, Vice President</b>  Telephone number: <b>(410) 237-5923</b>		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.  <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
<b>1. Amount of Claim as of Date Case Filed:</b> \$ <u>11,250,538.88**</u>  If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.  If all or part of your claim is entitled to priority, complete item 5.  <input checked="" type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		<b>5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.</b>  Specify the priority of the claim.  <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).  <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4).  <input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).  <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).  <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).  <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. §507 (a)( ).  Amount entitled to priority: \$ _____
<b>2. Basis for Claim:</b> <u>Letters of Credit -- See Attached</u> (See instruction #2 on reverse side.)		*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.
<b>3. Last four digits of any number by which creditor identifies debtor:</b> _____  <b>3a. Debtor may have scheduled account as:</b> _____ (See instruction #3a on reverse side.)		
<b>4. Secured Claim (See instruction #4 on reverse side.)</b> Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.  Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other Describe: <b>SEE ATTACHED</b>  Value of Property: \$ <u>TBD</u> Annual Interest Rate <u>see attached</u>  Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ <u>SEE ATTACHED</u> Basis for perfection: <u>SEE ATTACHED</u>  Amount of Secured Claim: \$ <u>11,250,538.88</u> Amount Unsecured: \$ _____ plus interest, attorneys' fees, late charges and fees continuing to accrue		
<b>6. Credits:</b> The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		
<b>7. Documents:</b> 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.) <b>SEE ATTACHED</b> <b>DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.</b>  If the documents are not available, please explain:		
Date: <b>2-23-10</b>	<b>Signature:</b> The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the address above. Attach copy of power of attorney, if any.  <b>PNC BANK, NATIONAL ASSOCIATION, SUCCESSOR TO MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY</b> By: <b>Wendy Andrus, Vice President</b> 	
<b>FOR COURT USE ONLY</b>  <div style="text-align: right;"> <b>Erickson Ret. Comm. LLC</b>            01105       </div>		

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

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

## RIDER TO PROOF OF CLAIM

*In re 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. (xxxxxxx6111) 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. (xxxxxxxxx3111) 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. (xxxxxxxxx6209) 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. (xxxxxxxxx3068) 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. (xxxxxxxxx1887) 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:	\$11,220,000.00
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:	\$ _____
<b>Total (as of Petition Date):</b>	<b><u>\$11,250,358.88</u></b>

<i>Per diem letter of credit fees as of Petition Date are as follows:</i>		
<u>LC Number</u>	<u>Face Value of LC</u>	<u>Per Diem</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):	\$ _____
<b>Total (10/19/09 – 12/31/09):</b>	<b><u>\$ 21,107.21</u></b>

*(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: PNCCU533  
Telephone: 1-800-682-4689



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

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OUR REFERENCE:	18106086-00-000
TRANSACTION NUMBER:	1
APPLICANT:	ERICKSON RETIREMENT COMMUNITIES LLC

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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.

*Nothing sent  
to Ben*

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: 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

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OUR REFERENCE:	18106086-00-000
APPLICANT:	ERICKSON RETIREMENT COMMUNITIES LLC
AMOUNT:	USD \$500,000.00
EXPIRY DATE:	NOVEMBER 14, 2008
EXPIRY PLACE:	BALTIMORE, MARYLAND

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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.

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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 AMENDMENT UNDER OUR LETTER OF CREDIT NUMBER  
18106086-00-000

\_\_\_\_\_ 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.

UNITED HEALTHCARE SERVICES INC

BY: \_\_\_\_\_

DATE: \_\_\_\_\_



**MERCANTILE-SAFE DEPOSIT  
AND TRUST COMPANY**

18106086

**IRREVOCABLE STANDBY LETTER OF CREDIT  
NO. 8038**

**BENEFICIARY:**

United HealthCare Services, Inc.  
D/B/A Evercare and United Healthcare  
Insurance Company  
9900 Bren Road East  
Minnetonka, MN 55434  
Attn: Ed Stueve

**DATE:** November 14, 2005

**EXPIRATION:** November 14, 2006

**AMOUNT:** US\$500,000.00

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 15.17, 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: Barbara R. Wallace  
Barbara R. Wallace, Senior Vice President

By: D.S. Woelper  
D.S. Woelper, Assistant Vice President



**MERCANTILE E-SAFE DEPOSIT & TRUST COMPANY**  
BALTIMORE, MARYLAND 21201

18106086

**INDEMNIFICATION AGREEMENT**

Date 10/3/05  
8038 not

In consideration of your issuance of Irrevocable Clean Letter of Credit ("Credit") No. \_\_\_\_\_  
for \$ 500,000.00, in favor of United Healthcare  
Services, Inc. D/B/A Evercare and United Healthcare  
Insurance Company  
For the account of: Erickson Retirement Communities, LLC

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 hereinafter shall be referred to as "collateral", and

WE, JOINTLY AND SEVERALLY, HEREBY AGREE,

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 Communities, LLC (SEAL)  
Name of Corporation or Partnership  
By [Signature] (SEAL)  
By \_\_\_\_\_ (SEAL)  
IN WITNESS WHEREOF

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

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

ACCOUNTS RECEIVABLE ADVICE

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OUR REFERENCE: 18106086-00-000  
APPLICANT: ERICKSON RETIREMENT COMMUNITIES LLC  
BENEFICIARY: UNITED HEALTHCARE SERVICES INC

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THE FOLLOWING FEES ARE NOW DUE:

STANDBY COMMISSION					
BILLING PERIOD:	DAYS	BASIS AMOUNT	RATE	FEE AMOUNT	
10/01/2009 12/31/2009	92	500,000.00	1.00%	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 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 14.18.43  
BANK 40 MS ACTION SUCCESSFUL  
ACCT> [REDACTED] 7058 PROD> CDA BRANCH 00411 COST CENTER 0005592  
CUSTOMER NUMBER 1018107904 SUBPRDCT 01 FIXED RATE  
NAME CHARLESTOWN COMMUNITY INC SUBOWNER 05 CORPORATION

NAME CHARLESTOWN COMMUNITY INC RELATIONSHIP  
& 991 CORPORATE BLVD 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	PKG	APY	CURRENT BALANCE	STAT
01		[REDACTED] 4568		11/02/2009	11/02/2010		.75	0.00	07
01		[REDACTED] 4569		10/14/2007	10/14/2010		3.50	0.00	07
01		[REDACTED] 7058	Y	11/16/2009	11/16/2010		.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

CI10 3 IDS CDA/REA FINANCIAL INQUIRY 02/17/10 10.20.13  
BANK 40 MS ACTION SUCCESSFUL  
ACCT> ██████████7058 PROD> CDA BRANCH 00411 COST CENTER 0005592  
CUSTOMER NUMBER 1018107904 SUBPRDCT 01 FIXED RATE  
NAME CHARLESTOWN COMMUNITY INC SUBOWNER 05 CORPORATION

ORIGINAL PURCHASE	500,000.00	ISSUED 11/16/2009	STAT 99 ACTIVE
		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 PYMT TO ACCT
LAST INT PYMT 02/16/2010	309.65	PYMT FREQ IM	MONTHLY FROM ISSUE
W/H CODE PC LAST INT W/H		INT ACCT#	
INTEREST PAID YTD	619.11	MAIL CODE 01	REGULAR MAIL
INTEREST WITHHELD YTD		AIP STAT	AIP GEN DATE
INTEREST PAID LAST YR	6,067.24	AIP PAYMENT AMT	
INTEREST WHLD LAST YR		AIP NEXT INT PYMT DATE	
LAST DEPOSIT 02/16/2010	309.65	AIP NEXT INT AMT	
FEATURE			
OPENED 11/14/2008	LAST ACTY 01/26/2009	REDEFINED	TYPE
CLOSED	LAST MAINT 01/26/2009	BR/CC XFR	

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

REDACTED



# 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  
Phone: 1-800-682-4689



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 Gene.*

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: NOVEMBER 14, 2007

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

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

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

---

OUR REFERENCE:	18106388-00-000
AMENDMENT NUMBER:	2

---

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

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



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

*Received  
10/30/2007  
Melson*



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
AMOUNT:	USD \$3,000,000.00
EXPIRY DATE:	JANUARY 11, 2008
EXPIRY PLACE:	BALTIMORE, MARYLAND

---

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: PNCCU533  
Telephone: 1-800-682-4689



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

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 AMENDMENT UNDER OUR LETTER OF CREDIT NUMBER  
18106388-00-000

X 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:

Laura Cadmus

DATE:

10/26/07



**MERCANTILE-SAFE DEPOSIT  
AND TRUST COMPANY**

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

18106388

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

**DATE:** January 11, 2006

**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.





**MERCANTILE-SAFE DEPOSIT  
AND TRUST COMPANY**

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: Barbara R. Wallace  
Barbara R. Wallace, Senior Vice President

By: D. Seward Woelper  
D. Seward Woelper, Assistant Vice President



**MERCANTILE-SAFE DEPOSIT  
AND TRUST COMPANY**

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

**BENEFICIARY:**

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

**DATE:** January 11, 2006

**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 5<sup>th</sup> 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, 5<sup>th</sup> Floor, Baltimore MD, 21201, Attn: International Department, on or before the expiry date or any automatically extended date.

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**MERCANTILE-SAFE DEPOSIT  
AND TRUST COMPANY**

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

**BENEFICIARY:**

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

**DATE:** January 11, 2006

**EXPIRATION:** January 11, 2007

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, 5<sup>th</sup> Floor, Baltimore MD, 21201, Attn: International Department, on or before the expiry date or any automatically extended date.

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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 consideration of your issuance of Irrevocable Clean Letter of Credit ("Credit") No. 8783  
for \$ 3,000,000.00 in favor of Continental Casualty  
Company

For the account of: \_\_\_\_\_

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:

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,

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 Communities, LLC

Name of Corporation or Partnership 01

By [Signature]

By \_\_\_\_\_

I.D. #46025 (A/B)

(SEAL)

(SEAL)

(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

11/1/2005

OFFICE MEMORANDUM  
OF  
MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

BL# 272484708783

DATE: December 31, 2004

TO: Eileen Wentzel  
Norma Banks

FROM: Chip Woelper DSL

RE: Erickson Retirement Communities, LLC: Assignment of Certificates of Deposit

18107082

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 secured L/C No. 8783

<u>CD Number</u>	<u>Community Name</u>	<u>Principal</u>	<u>Collateral #</u>
168000055	Ann's Choice, Inc.	31,144.00	#400149924 ✓
168000056	Brooksby Village, Inc.	234,157.00	#400149925 ✓
168000057	Cedar Crest Village, Inc.	227,980.00	#400149926 ✓
168000058	Charlestown Community, Inc.	584,004.00	#400149928 ✓
168000059	Fox Run Village, Inc.	31,144.00	#400149929 ✓
168000060	Greenspring Village, Inc.	423,964.00	#400149930 ✓
168000061	Henry Ford Village, Inc.	269,871.00	#400149931 ✓
168000062	Linden Ponds, Inc.	10,381.00	400149932 ✓
168000063	Oak Crest Village, Inc.	534,235.00	400149934 ✓
168000064	Riderwood Village, Inc.	286,511.00	400149935 ✓
168000065	Sedgebrook, Inc.	10,380.00	400149936 ✓
168000066	Seabrook Village, Inc.	262,229.00	400149937 ✓
168000067	Erickson Retirement Communities	94,000.00	400149939 ✓
TOTAL:		3,000,000.00	

Feel free to contact me at x5216 with any questions.

cc: Bruce McLean

CIDEAP  
( LIST

CI DELETE APPLICATION RELATIONSHIP

BANK 0001  
)

APPLICATION  
ACCOUNT 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

C\* DELETE APPLICATION RELATIOHIP

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

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



CIDICU

CI DISPLAY CUSTOMER

BANK 0001

( FWD

CUSTOMER NAME ERICKSON RETIREMENT COMMUNITIES LLC

MAILING ADDRESS LINE 1 991 CORPORATE BLVD

MAILING ADDRESS LINE 2

CITY AND STATE LINTHICUM HEIGHTS MD

SSN / TAX ID 522003375 F

DAY PHONE

18107082

21090-2227 91

LAST MAINT 03/10/04

OFFICER BDM

DUE DATE EXPIRATION

TRACKING MESSAGE NONE

1. COLL OWNER 0000000400149936 JUMBO CD#168000065-SEDGEBROOK INC 0  
2. COLL OWNER 0000000400149937 JUMBO CD#168000066-SEABROOK VILLAGE, INC 0  
3. COLL OWNER 0000000400149939 JUMBO CD#168000067-ERICKSON RETIREMENT 0  
4. PRIMARY OWNER FC SEC LINES BUSINESS 0000272484739999 2,000,000.00  
5. PRIMARY OWNER FC OFFERING BASIS 0000272484779999 10,000,000.00  
6. SUBSIDIARY ERICKSON CONSTRUCTION LLC  
7. SUBSIDIARY FOX RUN VILLAGE INC  
8. SUBSIDIARY HINGHAM CAMPUS LLC  
9. SUBSIDIARY HOUSTON CAMPUS LP

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

( N ) ACCESS SELECTED RELATIONSHIPS

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

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:	DAYS	AMOUNT	RATE	COMMISSION	
07/01/2009	09/30/2009	92	\$3,000,000.00	1.00	\$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

ERICKSON 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					
BILLING PERIOD:	DAYS	BASIS AMOUNT	RATE	FEE AMOUNT	
10/01/2009 12/31/2009	92	3,000,000.00	1.00%	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 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 14.18.54  
BANK 40 MS ACTION SUCCESSFUL  
ACCT> 0742 PROD> CDA BRANCH 00385 COST CENTER 0000385  
CUSTOMER NUMBER 3500130433 SUBPRDCT 01 FIXED RATE  
NAME ERICKSON RETIREMENT SUBOWNER 05 CORPORATION

NAME ERICKSON RETIREMENT RELATIONSHIP  
& 719 MAIDEN CHOICE LN TIN 52-1315965  
ADDR BALTIMORE MD 21228-6138 WTHLD CD PE EXEMPT  
DATE WTHLD CERT 12/11/2007  
BIRTH DATE  
LAST MAINT DATE 12/11/2007  
REA PLAN  
PACKAGE CD ADDED  
REMOVED  
COUNTRY

SEL	SUB	ACCOUNT	RST	ISS/RENEW	MATURES	PKG	APY	CURRENT BALANCE	STAT
07		19852		10/24/2007	11/14/2008		3.76	0.00	08
07		9901		10/26/2007	10/26/2008		3.50	0.00	07
01		0742	Y	10/31/2009	10/31/2010		.75	3,255,942.43	99
TOTAL							3	3,255,942.43	

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

REDACTED

CI10 3 IDS CDA/REA FINANCIAL INQUIRY 02/17/10 10.20.23  
BANK 40 MS ACTION SUCCESSFUL  
ACCT> [REDACTED] 0742 PROD> CDA BRANCH 00385 COST CENTER 0000385  
CUSTOMER NUMBER 3500130433 SUBPRDCT 01 FIXED RATE  
NAME ERICKSON RETIREMENT SUBOWNER 05 CORPORATION

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	1,070.45	PYMT METHOD TA	INTEREST PYMT TO ACCT
LAST INT PYMT 01/31/2010	2,072.67	PYMT FREQ IM	MONTHLY FROM ISSUE
W/H CODE PE LAST INT W/H		INT ACCT#	
INTEREST PAID YTD	2,072.67	MAIL CODE 01	REGULAR MAIL
INTEREST WITHHELD YTD		AIP STAT	AIP GEN DATE
INTEREST PAID LAST YR	54,956.17	AIP PAYMENT AMT	
INTEREST WHLD LAST YR		AIP NEXT INT PYMT DATE	
LAST DEPOSIT 01/31/2010	2,072.67	AIP NEXT INT AMT	
FEATURE			
OPENED 10/31/2007	LAST ACTY 11/01/2007	REDEFINED	TYPE
CLOSED	LAST MAINT 12/11/2007	BR/CC XFR	

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

REDACTED

# 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.

*Not sent to Bank*

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: 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.



Bank, National Association  
Service Operations  
1000  
First Avenue  
Pittsburgh, PA 15219  
File Stop: P7-PFSC-03-T

PNCCUS33  
phone: 1-800-682-4689



DATE: SEPTEMBER 17, 2007

ZURICH AMERICAN INSURANCE  
COMPANY, TOWER 2, 9TH 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  
AMOUNT: USD \$1,875,000.00  
EXPIRY DATE: FEBRUARY 06, 2008  
EXPIRY PLACE: BALTIMORE, MARYLAND

WE HEREBY AMEND IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 8119 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 18106392-00-000.

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. 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  
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

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

PNCCUS33  
Phone: 1-800-682-4689



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.

Christian Harris  
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

PNCUS33  
Phone: 1-800-682-4689



IN REFERENCE TO AMENDMENT UNDER OUR LETTER OF CREDIT NUMBER  
18106392-00-000

☒ 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 INSURANCE

BY:

DATE:

*Elizabeth Cook*  
10/05/2007



**MERCANTILE-SAFE DEPOSIT  
AND TRUST COMPANY**

**IRREVOCABLE STANDBY LETTER OF CREDIT  
NO. 8119**

18106392

**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.



**MERCANTILE-SAFE DEPOSIT  
AND TRUST COMPANY**

**L/C 8119**

**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: Barbara R. Wallace  
Barbara R. Wallace, Senior Vice President

By: D. S. Woelper  
D. S. Woelper, Assistant Vice President

# APPLICATION FOR IRREVOCABLE LETTER OF CREDIT

ACCOUNT NAME Erickson Retirement Communities, LLC Date 1/30/06  
 Billing Address 991 Corporate Blvd, Linthicum, MD 21090 Deposit A/C No. 6463126  
 Amount \$ 1,875,000.00 ☒ Secured ☐ Unsecured Expiration Date: 1/30/2007 Line of Credit \_\_\_\_\_  
 Letter Credit Favor Of: Zurich American Insurance Company If Yes, Amount \$ \_\_\_\_\_  
 Address: Tower 2 - 9th Floor - Attn: E. Hooks Date Approved: \_\_\_\_\_  
1400 American Lane Schaumburg, IL 60196-1056

If L/C is Drawn Against How Will Reimbursement be Provided?

☒ Checking Acct. ☐ Loan Advance  
☐ Savings Acct. ☐ Other (Describe) \_\_\_\_\_

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, LLC

Name of Corporation or Partnership

By: \_\_\_\_\_

By: \_\_\_\_\_

(Individuals Sign Below)

(Seal)

(Seal)

(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



MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY  
 INTERNATIONAL DEPARTMENT

TWO HOPKINS PLAZA / BALTIMORE, MD 21201 / PHONE 410-237-5304

## 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 IL 60196-1056

We have established this clean, irrevocable, and unconditional Letter of Credit in your favor as Beneficiary for drawings up to U.S. \$ \_\_\_\_\_ effective immediately. This Letter of Credit is issued, presentable and payable at our office at (issuing bank address) and expires with our close of business on \_\_\_\_\_. 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. \_\_\_\_\_, for all 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 state herein, this undertaking is not subject to any agreement, requirement or qualification. The obligation of (issuing bank) under this Credit is the individual obligation of (issuing bank) 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 date, 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





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

**INDEMNIFICATION AGREEMENT**

Date 1/30/06

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 Retirement Communities, LLC

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,

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 Communities, LLC

(SEAL)

Name of Corporation or Partnership

(SEAL)

By

By

(SEAL)

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

\_\_\_\_\_  
Loan Type

\_\_\_\_\_  
Loan Account Name

\_\_\_\_\_  
Collateral Account Name

BR # \_\_\_\_\_ TYPE # \_\_\_\_\_

Date: May 21, 2007

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"), its successors and assigns, and grants the Bank a security interest in, the undersigned's ☐ savings ☐ money market ☒ certificate of deposit account, number \_\_\_\_\_, together with all monies and claims for monies now and hereinafter due 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 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 \$ 1,875,000.00.

This Assignment is made as and shall constitute collateral security for any and all indebtedness and liabilities of any kind and nature of the undersigned to the Bank, howsoever evidenced, whether now existing or hereafter arising, direct or 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 the name of the undersigned and notwithstanding the death, disability or incapacity of the undersigned, to demand, apply for withdrawal, receive and give acquittance for any and all monies and claims for monies hereby assigned and to exercise any 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 demands to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in effect, including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statement of account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made in writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:

MERCANTILE-SAFE DEPOSIT AND TRUST CO.

2 Hopkins Plaza 5<sup>th</sup> Floor

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 compliance with the requirements of this paragraph, nor shall Bank be liable for, not its security interest affected or diminished in any 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; 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~~ <sup>May</sup> 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:

Cathy M. Thompson

By:

Jeffrey A. Jacobson  
Name: Jeffrey A. Jacobson  
Title: Chief Financial Officer

(SEAL)



Terri  
Eastland  
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.

<u>Company</u>	<u>CD Amount</u>	<u>Tax ID Number</u>
Erickson Retirement	\$ 69,215	52-2003375
Erickson Construction	\$141,643	52-2012727
Henry Ford Village	\$151,174	38-3087328
Seabrook Village	\$169,856	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	\$104,080	<del>14-1849849</del>
Sedgebrook	\$ 33,441	03-0498683-
Charlestown	\$200,601	52-1315965
Riderwood Village	\$126,251	52-2126753
Oak Crest Village	\$131,150	52-1874053

30-019240

Sincerely,

Jeffery A. Jacobson  
Executive Vice President and CFO

1-30-07  
maturity date

**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

*Shared  
to 2006  
to corp - chip  
to J/C - chip  
Dated*

# 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.

<u>CD Number</u>	<u>Community Name</u>	<u>Principal</u>	<u>Rate</u>	<u># of Days</u>	<u>Interest</u>
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 Number</u>	<u>Community Name</u>	<u>Principal</u>
168004498	Erickson Retirement 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**

\_\_\_\_\_  
Loan Type

\_\_\_\_\_  
Loan Account Name

\_\_\_\_\_  
Collateral Account Name

BR # \_\_\_\_\_ TYPE # \_\_\_\_\_

Date: January 30, 2006

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"), its successors and assigns, and grants the Bank a security interest in, the undersigned's ☐ savings ☐ money market ☒ certificate of deposit account, number 168004498, together with all monies and claims for monies now and hereinafter due or payable thereon or in respect thereof; the term "account" includes (without limitations) all shares, deposit 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 represents and warrants that the present value of said account is \$ 69,215.00.

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 or 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 the name of the undersigned and notwithstanding the death, disability or incapacity of the undersigned, to demand, apply for 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 required therefor.

Notwithstanding anything to the contrary in the law permitting electronic communications, all requests or demands to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in effect, including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statements of account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made in writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:

MERCANTILE-SAFE DEPOSIT AND TRUST CO.

2 Hopkins Plaza 5<sup>th</sup> Floor

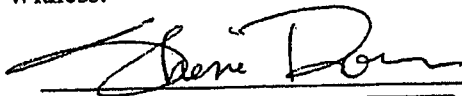
Baltimore, Maryland 21201

Attn: Commercial Loan Department

The undersigned agrees that Bank shall not be required to respond to any request or demand that is not in compliance with the requirements of this paragraph, nor shall Bank be liable for, nor its security interest affected or diminished in any 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; 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.

Witness:




(SEAL)

FOR BANK USE ONLY  
HOLD/Release

Hold place date - initials

Hold Released date - initials

  
Erickson Retirement

(SEAL)

(SEAL)

(SEAL)

(SEAL)



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

Loan Type \_\_\_\_\_  
Loan Account Name \_\_\_\_\_  
Collateral Account Name \_\_\_\_\_

BR # \_\_\_\_\_ TYPE # \_\_\_\_\_

Date: January 30, 2006

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"), its successors and assigns, and grants the Bank a security interest in, the undersigned's ☐ savings ☐ money market ☒ certificate of deposit account, number 168004499, together with all monies and claims for monies now and hereinafter due 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 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 \$ 141,643.00.

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 the name of the undersigned and notwithstanding the death, disability or incapacity of the undersigned, to demand, apply for 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 required therefor.

Notwithstanding anything to the contrary in the law permitting electronic communications, all requests or demands to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in effect, including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statements of account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made in writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:

MERCANTILE-SAFE DEPOSIT AND TRUST CO.

2 Hopkins Plaza 5<sup>th</sup> Floor

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 compliance with the requirements of this paragraph, nor shall Bank be liable for, nor its security interest affected or diminished in any 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; 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.


Witness:

 (SEAL)

FOR BANK USE ONLY  
HOLD/Release

Hold place date - Initials

Hold Released date - Initials

 (SEAL)  
Erickson Construction (SEAL)  
\_\_\_\_\_  
(SEAL)

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

Loan Type \_\_\_\_\_

Loan Account Name \_\_\_\_\_

Collateral Account Name \_\_\_\_\_

BR # \_\_\_\_\_ TYPE # \_\_\_\_\_

Date: January 30, 2006

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"), its successors and assigns, and grants the Bank a security interest in, the undersigned's ☐ savings ☐ money market ☒ certificate of deposit account, number 168004500, together with all monies and claims for monies now and hereinafter due 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 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 \$ 151,174.00.

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 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 demands to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in effect including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statements of account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made in writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:

MERCANTILE-SAFE DEPOSIT AND TRUST CO.

2 Hopkins Plaza 5<sup>th</sup> Floor

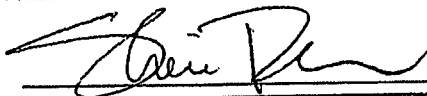
Baltimore, Maryland 21201

Attn: Commercial Loan Department

The undersigned agrees that Bank shall not be required to respond to any request or demand that is not in compliance with the requirements of this paragraph, nor shall Bank be liable for, nor its security interest affected or diminished in any 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 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.

Witness:

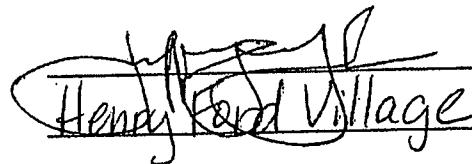


(SEAL)

FOR BANK USE ONLY  
HOLD/ Release

Hold place date - initials

Hold Released date - initials



(SEAL)

(SEAL)

(SEAL)

(SEAL)

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

Loan Type \_\_\_\_\_

Loan Account Name \_\_\_\_\_

Collateral Account Name \_\_\_\_\_

BR # \_\_\_\_\_ TYPE # \_\_\_\_\_

Date: January 30, 2006

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"), its successors and assigns, and grants the Bank a security interest in, the undersigned's ☐ savings ☐ money market ☒ certificate of deposit account, number 168004501, together with all monies and claims for monies now and hereinafter due 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 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 \$ 169,856.00.

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 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 demands to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in effect including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statements of account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made in writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:

MERCANTILE-SAFE DEPOSIT AND TRUST CO.

2 Hopkins Plaza 5<sup>th</sup> Floor

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 compliance with the requirements of this paragraph, nor shall Bank be liable for, not its security interest affected or diminished in any way by, the failure to respond to any request or demand that is not in compliance with the requirements of this paragraph.

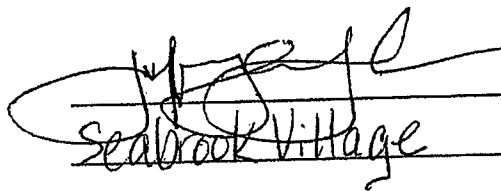
The undersigned represents and warrants that the account is genuine and in all respects is what it purports to be; the undersigned is the owner thereof free and clear of all liens and encumbrances of any nature whatsoever; the undersigned has not withdrawn, repurchased or redeemed all or any part thereof 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.

Witness:

 (SEAL)  
FOR BANK USE ONLY  
HOLD/ Release

Hold place date - initials

Hold Released date - initials

 (SEAL)  
Sealbrook Village (SEAL)  
(SEAL)

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

Loan Type \_\_\_\_\_

Loan Account Name \_\_\_\_\_

Collateral Account Name \_\_\_\_\_

BR # \_\_\_\_\_ TYPE # \_\_\_\_\_

Date: January 30, 2006

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"), its successors and assigns, and grants the Bank a security interest in, the undersigned's ☐ savings ☐ money market ☒ certificate of deposit account, number 168004502, together with all monies and claims for monies now and hereinafter due 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 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 \$ 215,192.00

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 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 demands to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in effect including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statements of account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made in writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:

MERCANTILE-SAFE DEPOSIT AND TRUST CO.

2 Hopkins Plaza 5<sup>th</sup> Floor

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 compliance with the requirements of this paragraph, nor shall Bank be liable for, nor its security interest affected or diminished in any 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 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.

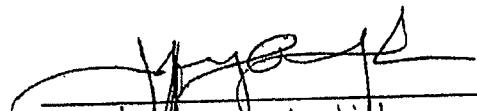
Witness:

 (SEAL)

FOR BANK USE ONLY  
HOLD/Release

Hold place date - Initials

Hold Released date - Initials

 (SEAL)

Cedar Crest Village (SEAL)

\_\_\_\_\_ (SEAL)

\_\_\_\_\_ (SEAL)

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

Loan Type \_\_\_\_\_

Loan Account Name \_\_\_\_\_

Collateral Account Name \_\_\_\_\_

BR # \_\_\_\_\_ TYPE # \_\_\_\_\_

Date: January 30, 2006

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 ☐ savings ☐ money market ☒ certificate of deposit account, number 168004503, together with all monies and claims for monies now and hereinafter due 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 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 \$ 162,525.00.

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 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 demands to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in effect including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statements account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made in writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:

MERCANTILE-SAFE DEPOSIT AND TRUST CO.

2 Hopkins Plaza 5<sup>th</sup> Floor

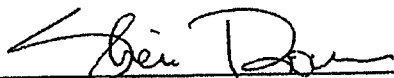
Baltimore, Maryland 21201

Attn: Commercial Loan Department

The undersigned agrees that Bank shall not be required to respond to any request or demand that is not in compliance with the requirements of this paragraph, nor shall Bank be liable for, not its security interest affected or diminished in any 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 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.

Witness:

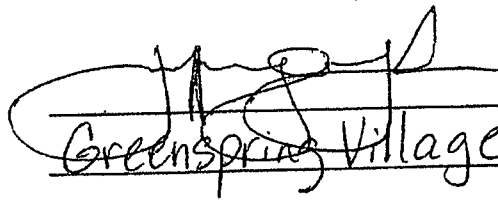


(SEAL)

FOR BANK USE ONLY  
HOLD/ Release

Hold place date - initials

Hold Released date - initials



(SEAL)

(SEAL)

(SEAL)

(SEAL)

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

Loan Type \_\_\_\_\_

Loan Account Name \_\_\_\_\_

Collateral Account Name \_\_\_\_\_

BR # \_\_\_\_\_ TYPE # \_\_\_\_\_

Date: January 30, 2006

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"), its successors and assigns, and grants the Bank a security interest in, the undersigned's ☐ savings ☐ money market ☒ certificate of deposit account, number 168004504, together with all monies and claims for monies now and hereinafter due 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 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 \$ 168,481.00.

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 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 demands to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in effect including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statements of account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made in writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:

MERCANTILE-SAFE DEPOSIT AND TRUST CO.

2 Hopkins Plaza 5<sup>th</sup> Floor

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 compliance with the requirements of this paragraph, nor shall Bank be liable for, nor its security interest affected or diminished in any 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 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.

Witness:

*Chen Daura* (SEAL)

FOR BANK USE ONLY  
HOLD/ Release

Hold place date - initials

Hold Released date - initials

*[Signature]* (SEAL)

Brooksbury Village (SEAL)

\_\_\_\_\_ (SEAL)

\_\_\_\_\_ (SEAL)

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

\_\_\_\_\_  
Loan Type

\_\_\_\_\_  
Loan Account Name

\_\_\_\_\_  
Collateral Account Name

- BR # \_\_\_\_\_ TYPE # \_\_\_\_\_

Date: January 30, 2006

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"), its successors and assigns, and grants the Bank a security interest in, the undersigned's ☐ savings ☐ money market ☒ certificate of deposit account, number 168 0045 05, together with all monies and claims for monies now and hereinafter due 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 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 \$ 136,784.00.

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 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 demands to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in effect including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statements of account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made in writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:

MERCANTILE-SAFE DEPOSIT AND TRUST CO.

2 Hopkins Plaza 5<sup>th</sup> Floor

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 compliance with the requirements of this paragraph, nor shall Bank be liable for, not its security interest affected or diminished in any 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 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.

Witness:

*Shirley Barron* (SEAL)

FOR BANK USE ONLY  
HOLD/ Release

Hold place date

initials

Hold Released date

initials

*Ann's Choice* (SEAL)

(SEAL)

(SEAL)

(SEAL)

(SEAL)

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

Loan Type \_\_\_\_\_

Loan Account Name \_\_\_\_\_

Collateral Account Name \_\_\_\_\_

BR # \_\_\_\_\_ TYPE # \_\_\_\_\_

Date: January 30, 2006

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"), its successors and assigns, and grants the Bank a security interest in, the undersigned's ☐ savings ☐ money market ☒ certificate of deposit account, number 168DD4506, together with all monies and claims for monies now and hereinafter due 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 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 \$ 39,434.00.

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 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 demands to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in effect including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statements of account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made in writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:

MERCANTILE-SAFE DEPOSIT AND TRUST CO.

2 Hopkins Plaza 5<sup>th</sup> Floor

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 compliance with the requirements of this paragraph, nor shall Bank be liable for, not its security interest affected or diminished in any 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 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.

Witness:

[Signature] (SEAL)

FOR BANK USE ONLY  
HOLD/ Release

Hold place date - initials

Hold Released date - initials

[Signature] (SEAL)  
Fox Run Village (SEAL)  
\_\_\_\_\_ (SEAL)



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

\_\_\_\_\_  
Loan Type

\_\_\_\_\_  
Loan Account Name

\_\_\_\_\_  
Collateral Account Name

BR # \_\_\_\_\_ TYPE # \_\_\_\_\_

Date: January 30, 2006

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"), its successors and assigns, and grants the Bank a security interest in, the undersigned's ☐ savings ☐ money market ☒ certificate of deposit account, number 168004507, together with all monies and claims for monies now and hereinafter due 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 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 \$ 25,173.00.

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, 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 required therefor.

Notwithstanding anything to the contrary in the law permitting electronic communications, all requests or demands to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in effect, including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statements of account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made in writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:

MERCANTILE-SAFE DEPOSIT AND TRUST CO.

2 Hopkins Plaza 5<sup>th</sup> Floor

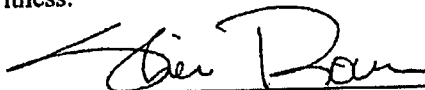
Baltimore, Maryland 21201

Attn: Commercial Loan Department

The undersigned agrees that Bank shall not be required to respond to any request or demand that is not in compliance with the requirements of this paragraph, nor shall Bank be liable for, not its security interest affected or diminished in any 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 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.

Witness:



(SEAL)

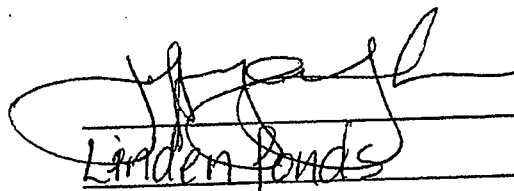
FOR BANK USE ONLY  
HOLD/Release

Hold place date

- initials

Hold Released date

- initials



(SEAL)

(SEAL)

(SEAL)

(SEAL)

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

Loan Type \_\_\_\_\_

Loan Account Name \_\_\_\_\_

Collateral Account Name \_\_\_\_\_

BR # \_\_\_\_\_ TYPE # \_\_\_\_\_

Date: January 30, 2006

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"), its successors and assigns, and grants the Bank a security interest in, the undersigned's ☐ savings ☐ money market ☒ certificate of deposit account, number 168004508, together with all monies and claims for monies now and hereinafter due 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 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 \$ 104,080.00.

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 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 demands to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in effect including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statement of account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made in writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:

MERCANTILE-SAFE DEPOSIT AND TRUST CO.

2 Hopkins Plaza 5<sup>th</sup> Floor

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 compliance with the requirements of this paragraph, nor shall Bank be liable for, nor its security interest affected or diminished in any 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 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.

Witness:

 (SEAL)

FOR BANK USE ONLY  
HOLD/ Release

Hold place date - initials

Hold Released date - initials

 (SEAL)

Eagle's Trace (SEAL)

\_\_\_\_\_ (SEAL)

\_\_\_\_\_ (SEAL)

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

\_\_\_\_\_  
Loan Type  
\_\_\_\_\_  
Loan Account Name  
\_\_\_\_\_  
Collateral Account Name

BR # \_\_\_\_\_ TYPE # \_\_\_\_\_

Date: January 30, 2006

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 ☐ savings ☐ money market ☒ certificate of deposit account, number 168004509, together with all monies and claims for monies now and hereinafter due 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 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 \$ 33,441.00

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 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 demands to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in effect including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statements, account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made in writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:

MERCANTILE-SAFE DEPOSIT AND TRUST CO.

2 Hopkins Plaza 5<sup>th</sup> Floor

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 compliance with the requirements of this paragraph, nor shall Bank be liable for, nor its security interest affected or diminished in any 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 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.

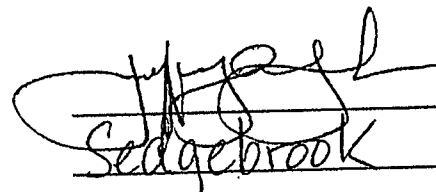
Witness:

 (SEAL)

FOR BANK USE ONLY  
HOLD/ Release

Hold place date -                      initials                     

Hold Released date -                      initials                     

 (SEAL)  
Sedgebrook (SEAL)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(SEAL)

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

Loan Type \_\_\_\_\_

Loan Account Name \_\_\_\_\_

Collateral Account Name \_\_\_\_\_

BR # \_\_\_\_\_ TYPE # \_\_\_\_\_

Date: January 30, 2006

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"), its successors and assigns, and grants the Bank a security interest in, the undersigned's ☐ savings ☐ money market ☒ certificate of deposit account, number 168 00 4510, together with all monies and claims for monies now and hereinafter due 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 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 \$ 200,601.00.

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 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 demands to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in effect including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statement of account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made in writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:

MERCANTILE-SAFE DEPOSIT AND TRUST CO.

2 Hopkins Plaza 5<sup>th</sup> Floor

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 compliance with the requirements of this paragraph, nor shall Bank be liable for, not its security interest affected or diminished in any 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 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.

Witness:

[Signature] (SEAL)

FOR BANK USE ONLY  
HOLD/ Release

Hold place date - initials

Hold Released date - initials

[Signature] (SEAL)

Charles Town (SEAL)

\_\_\_\_\_ (SEAL)

\_\_\_\_\_ (SEAL)

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

\_\_\_\_\_  
Loan Type

\_\_\_\_\_  
Loan Account Name

\_\_\_\_\_  
Collateral Account Name

BR # \_\_\_\_\_ TYPE # \_\_\_\_\_

Date: January 30, 2006

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"), its successors and assigns, and grants the Bank a security interest in, the undersigned's ☐ savings ☐ money market ☒ certificate of deposit account, number 168004511, together with all monies and claims for monies now and hereinafter due 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 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, 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 for 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 required therefor.

Notwithstanding anything to the contrary in the law permitting electronic communications, all requests or demands to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in effect including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statements of account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made in writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:

MERCANTILE-SAFE DEPOSIT AND TRUST CO.

2 Hopkins Plaza 5<sup>th</sup> Floor

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 compliance with the requirements of this paragraph, nor shall Bank be liable for, not its security interest affected or diminished in any 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 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.

Witness:

*Dei Rouna* (SEAL)

FOR BANK USE ONLY  
HOLD/Release

Hold place date - initials

Hold Released date - initials

*[Signature]* (SEAL)  
Ridderwood Village (SEAL)  
\_\_\_\_\_  
(SEAL)

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

Loan Type \_\_\_\_\_

Loan Account Name \_\_\_\_\_

Collateral Account Name \_\_\_\_\_

BR # \_\_\_\_\_ TYPE # \_\_\_\_\_

Date: January 30, 2006

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"), its successors and assigns, and grants the Bank a security interest in, the undersigned's ☐ savings ☐ money market ☒ certificate of deposit account, number 1108004512, together with all monies and claims for monies now and hereinafter due 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 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 \$ 131,150.00.

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 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 demands to the Bank under Title 9 of the Commercial Law Article of the Annotated Code of Maryland, as now or hereinafter in effect, including without limitation requests for accounting, requests regarding lists of collateral, requests regarding statements of account, demands for termination statements, and demands for releases of collateral or account debtors, shall be made in writing, signed by the undersigned, and be delivered by certified mail, return receipt requested, to the Bank at:

MERCANTILE-SAFE DEPOSIT AND TRUST CO.

2 Hopkins Plaza 5<sup>th</sup> Floor

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 compliance with the requirements of this paragraph, nor shall Bank be liable for, nor its security interest affected or diminished in any 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 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.

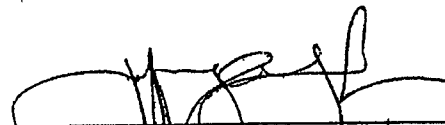
Witness:

 (SEAL)

FOR BANK USE ONLY  
HOLD/Release

Hold place date - initials

Hold Released date - initials

 (SEAL)

Oak Crest Village (SEAL)

\_\_\_\_\_ (SEAL)

\_\_\_\_\_ (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:	DAYS	AMOUNT	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

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

ACCOUNTS RECEIVABLE ADVICE

---

OUR REFERENCE:	18106392-00-000
APPLICANT:	ERICKSON RETIREMENT COMMUNITIES LLC
BENEFICIARY:	ZURICH AMERICAN INSURANCE

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THE FOLLOWING FEES ARE NOW DUE:

STANDBY COMMISSION					
BILLING PERIOD:	DAYS	BASIS AMOUNT	RATE	FEE AMOUNT	
10/01/2009 12/31/2009	92	1,875,000.00	1.00%	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

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 14.19.03

BANK 40 MS ACTION SUCCESSFUL  
ACCT> [REDACTED] 6030 PROD> CDA BRANCH 00411 COST CENTER 0005592  
CUSTOMER NUMBER 3600132166 SUBPRDCT 01 FIXED RATE  
NAME ERICKSON RETIREMENT COMM SUBOWNER 05 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	PKG	APY	CURRENT BALANCE	STAT
01	[REDACTED]	3068	Y	03/24/2009	03/24/2010		1.21	1,294,020.94	99
01	[REDACTED]	6030	Y	02/06/2010	08/06/2010		.25	1,875,000.00	99
01	[REDACTED]	3111	Y	10/31/2009	04/30/2010		.30	1,500,000.00	99
TOTAL							3	4,669,020.94	

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

REDACTED

CI10 3 IDS CDA/REA FINANCIAL INQUIRY 02/17/10 10.20.31  
 BANK 40 MS ACTION SUCCESSFUL  
 ACCT> ██████████ 6030 PROD> CDA BRANCH 00411 COST CENTER 0005592  
 CUSTOMER NUMBER 3600132166 SUBPRDCT 01 FIXED RATE  
 NAME ERICKSON RETIREMENT COMM SUBOWNER 05 CORPORATION

ORIGINAL PURCHASE	1,875,000.00	ISSUED 02/06/2010	STAT 99 ACTIVE
		MATURE 08/06/2010	TERM 6 M
CURRENT BALANCE	1,875,000.00		
ASSIGNMENTS/PLEDGES	1,875,000.00	REA PLAN	
		LAST REA RATE CHANGE	
INT ACCRUED TO 02/17/2010	141.27	PYMT METHOD TT	TRNFER TO THIRD PARTY
LAST INT PYMT 02/06/2010	616.44	PYMT FREQ IM	MONTHLY FROM ISSUE
W/H CODE PC LAST INT W/H		INT ACCT# DDA 40	5501339099
INTEREST PAID YTD	1,253.43	MAIL CODE 01	REGULAR MAIL
INTEREST WITHHELD YTD		AIP STAT N AIP GEN DATE	
INTEREST PAID LAST YR	14,701.25	AIP PAYMENT AMT	
INTEREST WHLD LAST YR		AIP NEXT INT PYMT DATE	03/06/10
LAST DEPOSIT 02/06/2010	616.44	AIP NEXT INT AMT	
FEATURE			
OPENED 03/28/2008	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

# EXHIBIT 4

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: 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: 18106690-00-000  
AMENDMENT NUMBER: 5

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

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

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 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 Serv.*

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



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: 2

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

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:	1
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

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



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 SEVERALLY, 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

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 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:  \_\_\_\_\_

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



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 SEVERALLY, 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

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

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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 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: \_\_\_\_\_

DATE: \_\_\_\_\_

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



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

Delivery Address Bar Code



SHIP TO: (800)222-2749

BILL SENDER

Jude Nascimento  
PMA INSURANCE CO.  
380 Sentry Parkway

Blue Bell, PA 19422

Ref # L/C 8296 unit 3415  
Invoice #  
PO #  
Dept #

STANDARD OVERNIGHT

MON

Deliver By:  
14MAY07

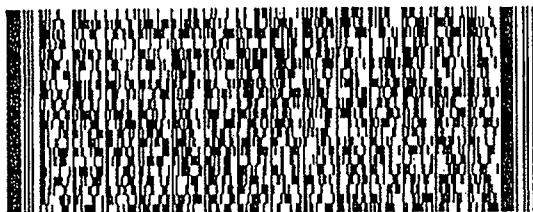
TRK# 7991 3890 7835

FORM  
0201

PHL A2

19422 -PA-US

Z9 QFWA



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

18106690

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

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

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  
Barbara R. Wallace, Senior Vice President

By: Norma C. Banks  
Norma C. Banks, Assistant Vice President



MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

**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.





MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

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

By: Thomas O. Daly  
Thomas O. Daly, Senior Vice President

By: Bruce D. McLean  
Bruce D. McLean, Senior Vice President



MERCANTILE FILE-SAFE DEPOSIT AND TRUST COMPANY  
BALTIMORE, MARYLAND 21201

18106690

# INDEMNIFICATION AGREEMENT

Date 1-6-03

In consideration of your issuance of Irrevocable Clean Letter of Credit ("Credit") No. 8296 700  
for \$ 700,000.00 in favor of Pennsylvania Manufacturers Association Insurance Company

For the account of: \_\_\_\_\_

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:

\_\_\_\_\_ 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,

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 Communities, LLC

Name of Corporation or Partnership

By Bernard M. Hill

By \_\_\_\_\_

I.D. 440020 (4/80)

(SEAL)

(SEAL)

(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  
BENEFICIARY: 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	STANDBY COMMISSION				
BILLING PERIOD:	DAYS	AMOUNT	RATE		COMMISSION
07/01/2009	09/30/2009	92	\$220,000.00	1.00	\$562.22
TOTAL AMOUNT DUE:					\$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

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

ACCOUNTS RECEIVABLE ADVICE

---

OUR REFERENCE: 18106690-00-000  
APPLICANT: ERICKSON RETIREMENT COMMUNITIES LLC  
BENEFICIARY: PENNSYLVANIA MANUFACTURERS'

---

THE FOLLOWING FEES ARE NOW DUE:

STANDBY COMMISSION					
BILLING PERIOD:	DAYS	BASIS AMOUNT	RATE	FEE AMOUNT	
10/01/2009 12/31/2009	92	220,000.00	1.00%	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 14.19.17

BANK 40 MS ACTION SUCCESSFUL  
ACCT> [REDACTED] 6111 PROD> CDA BRANCH 00411 COST CENTER 0005592  
CUSTOMER NUMBER 3600132011 SUBPRDCT 01 FIXED RATE  
NAME ERICKSON RETIREMENT COMMU SUBOWNER 05 CORPORATION

NAME ERICKSON RETIREMENT COMMUNITIES RELATIONSHIP  
& 991 CORPORATE BLVD TIN 52-2003375  
ADDR LINTHICUM HEIGHTS MD 21090-2227 WTHLD CD PC CERTIFIED TIN  
DATE WTHLD CERT 01/23/2008  
BIRTH DATE  
LAST MAINT DATE 01/23/2008  
REA PLAN  
PACKAGE CD ADDED  
REMOVED

COUNTRY.

SEL	SUB	ACCOUNT	RST	ISS/RENEW	MATURES	PKG	APY	CURRENT BALANCE	STAT
01	[REDACTED]	1887	Y	01/14/2010	01/14/2011		.65	1,897,567.76	99
01	[REDACTED]	6111	Y	01/22/2010	03/10/2011		.50	220,000.00	99

TOTAL 2 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

CI10 3 IDS CDA/REA FINANCIAL INQUIRY 02/17/10 10.20.39

BANK 40 MS ACTION SUCCESSFUL  
ACCT> [REDACTED] 6111 PROD> CDA BRANCH 00411 COST CENTER 0005592  
CUSTOMER NUMBER 3600132011 SUBPRDCT 01 FIXED RATE  
NAME ERICKSON RETIREMENT COMMU SUBOWNER 05 CORPORATION

ORIGINAL PURCHASE 220,000.00 ISSUED 01/22/2010 STAT 99 ACTIVE  
MATURE 03/10/2011 TERM 412 D  
CURRENT BALANCE 220,000.00  
ASSIGNMENTS/PLEDGES 220,000.00 REA PLAN  
LAST REA RATE CHANGE  
INT ACCRUED TO 02/17/2010 78.35 PYMT METHOD TA INTEREST PYMT TO ACCT  
LAST INT PYMT 01/22/2010 .00 PYMT FREQ IM MONTHLY FROM ISSUE  
W/H CODE PC LAST INT W/H INT ACCT#  
INTEREST PAID YTD MAIL CODE 01 REGULAR MAIL  
INTEREST WITHHELD YTD AIP STAT AIP GEN DATE  
INTEREST PAID LAST YR AIP PAYMENT AMT  
INTEREST WHLD LAST YR AIP NEXT INT PYMT DATE  
LAST DEPOSIT 01/22/2010 220,000.00 AIP NEXT INT AMT  
FEATURE  
OPENED 01/22/2010 LAST ACTY 01/25/2010 REDEFINED TYPE  
CLOSED LAST MAINT 01/25/2010 BR/CC XFR

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

REDACTED

# 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  
N3*

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: DECEMBER 22, 2008

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

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

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

---

OUR REFERENCE: 18107082-00-000  
AMENDMENT NUMBER: 4

---

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 OUR RECORDS.

---

PNC BANK, NATIONAL ASSOCIATION  
GLOBAL TRADE SERVICE OPERATIONS



333 South Wabash Avenue, 29<sup>th</sup> 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:

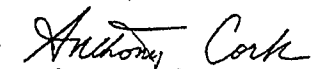
Letter of Credit 18107082-00-000 can be reduced from the current value of \$3,000,000 to a new value of \$1,500,000; a reduction of \$1,500,000.

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**

mc

file

**Anthony Cork**

Collateral & Agreements Analyst  
Worldwide Operations

Telephone 312-822-7158

Facsimile 312-894-3593

Internet Anthony.Cork@cna.com

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: 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 Dena*

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: NOVEMBER 02, 2007

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

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

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

---

OUR REFERENCE:	18107082-00-000
AMENDMENT NUMBER:	1

---

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

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

*Received*  
*10/30/2007*  
*MLL*  
PNC BANK

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:	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

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  
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

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

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

Telephone: 1-800-682-4689



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

X 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: Laura Cadmus

DATE: 10/26/07



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: 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: 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

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  
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

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

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 AMENDMENT UNDER OUR LETTER OF CREDIT NUMBER  
18107082-00-000

\_\_\_\_\_ 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: \_\_\_\_\_

DATE: \_\_\_\_\_



**MERCANTILE-SAFE DEPOSIT  
AND TRUST COMPANY**

**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 Woelper, Assistant Vice President

By:

Norma C. Banks, Assistant Vice President



MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY  
AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT  
NO. 8783

18107082

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

By: Barbara R. Wallace  
Barbara R. Wallace, Vice President

By: Norma C. Banks  
Norma C. Banks, Assistant Vice President



MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

1810 7082

**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. 29<sup>th</sup> 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 5<sup>th</sup> 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, 5<sup>th</sup> 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

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: Barbara R. Wallace  
Barbara R. Wallace, Vice President

By: Bruce D. McLean  
Bruce D. McLean, Senior Vice President

DAVID A. BALLARD



MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

NOV 2 2004

CNA HEALTHPRO  
CORPORATE ACCOUNTS

## 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. 29<sup>th</sup> 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 5<sup>th</sup> 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, 5<sup>th</sup> 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:

Barbara R. Wallace, Vice President

By:

Bruce D. McLean, Senior Vice President



CNA Plaza Chicago IL 60685-0001

December 2, 2004

**SECOND NOTICE**

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: Thomas J. Scalf  
Thomas J. Scalf

**CONFIRMATION**

Mercantile-Safe Deposit and Trust Company

Date: Feb 04, 2005By: Norma C. BanksName: Norma C. BanksTitle: Arp

12/8/2004

**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:** 29S  
**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  
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: 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:	DAYS	AMOUNT	RATE	COMMISSION	
07/01/2009	09/30/2009	92	\$1,500,000.00	1.00	\$3,833.33
TOTAL AMOUNT DUE:					\$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

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

ACCOUNTS RECEIVABLE ADVICE

---

OUR REFERENCE: 18107082-00-000  
APPLICANT: ERICKSON RETIREMENT COMMUNITIES LLC  
BENEFICIARY: CONTINENTAL CASUALTY COMPANY

---

THE FOLLOWING FEES ARE NOW DUE:

STANDBY COMMISSION				
BILLING PERIOD:	DAYS	BASIS AMOUNT	RATE	FEE AMOUNT
10/01/2009 12/31/2009	92	1,500,000.00	1.00%	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 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 14.19.28  
BANK 40 MS ACTION SUCCESSFUL  
ACCT> [REDACTED] 3111 PROD> CDA BRANCH 00411 COST CENTER 0005592  
CUSTOMER NUMBER 3600132166 SUBPRDCT 01 FIXED RATE  
NAME ERICKSON RETIREMENT COMM SUBOWNER 05 CORPORATION

NAME ERICKSON RETIREMENT COMM LLC  
& 701 MAIDEN CHOICE LN  
ADDR BALTIMORE MD 21228-5968

RELATIONSHIP JOI  
TIN 52-2003375  
WTHLD CD PC CERTIFIED TIN  
DATE WTHLD CERT 01/23/2008  
BIRTH DATE  
LAST MAINT DATE 01/23/2008  
REA PLAN  
PACKAGE CD ADDED  
REMOVED

COUNTRY

SEL	SUB	ACCOUNT	RST	ISS/RENEW	MATURES	PKG	APY	CURRENT BALANCE	STAT
01	[REDACTED]	3068	Y	03/24/2009	03/24/2010		1.21	1,294,020.94	99
01	[REDACTED]	6030	Y	02/06/2010	08/06/2010		.25	1,875,000.00	99
01	[REDACTED]	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

CI10 3 IDS CDA/REA FINANCIAL INQUIRY 02/17/10 10.20.49  
BANK 40 MS ACTION SUCCESSFUL  
ACCT> [REDACTED] 3111 PROD> CDA BRANCH 00411 COST CENTER 0005592  
CUSTOMER NUMBER 3600132166 SUBPRDCT 01 FIXED RATE  
NAME ERICKSON RETIREMENT COMM SUBOWNER 05 CORPORATION

ORIGINAL PURCHASE 3,000,000.00 ISSUED 10/31/2009 STAT 99 ACTIVE  
MATURE 04/30/2010 TERM 6 M  
CURRENT BALANCE 1,500,000.00  
ASSIGNMENTS/PLEDGES 1,500,000.00 REA PLAN  
LAST REA RATE CHANGE  
INT ACCRUED TO 02/17/2010 197.26 PYMT METHOD TT TRNFER TO THIRD PARTY  
LAST INT PYMT 01/31/2010 382.19 PYMT FREQ IM MONTHLY FROM ISSUE  
W/H CODE PC LAST INT W/H INT ACCT# DDA 40 5501339099  
INTEREST PAID YTD 382.19 MAIL CODE 01 REGULAR MAIL  
INTEREST WITHHELD YTD AIP STAT N AIP GEN DATE  
INTEREST PAID LAST YR 18,186.67 AIP PAYMENT AMT  
INTEREST WHLD LAST YR AIP NEXT INT PYMT DATE 02/28/10  
LAST DEPOSIT 01/31/2010 382.19 AIP NEXT INT AMT  
FEATURE  
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

# 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



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.

*Not Sent  
To Bank*

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: 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.

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 Gene*

*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



2 OUR LETTER OF CREDIT NUMBER

☒ 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: *Elisabeth Hooks*

DATE: 10/10/2007

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: 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
EXPIRY DATE:	OCTOBER 26, 2008
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      Swift: PNCCUS33  
Trade Service Operations      Telephone: 1-800-682-4689  
3rd Floor  
500 First Avenue  
Pittsburgh, PA 15219  
Mail Stop: P7-PFSC-03-T



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



IN REFERENCE TO AMENDMENT UNDER OUR LETTER OF CREDIT NUMBER  
18107083-00-000

\_\_\_\_\_ 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 INSURANCE CO.

BY: \_\_\_\_\_

DATE: \_\_\_\_\_



**MERCANTILE-SAFE DEPOSIT  
AND TRUST COMPANY**

**AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT  
NO. 8785**

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**

By:

D. Seward Woelper, Assistant Vice President

By:

Norma C. Banks, Assistant Vice President



MERCANTILE-SAFE DEPOSIT AND 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.





MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

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: Barbara R. Wallace  
Barbara R. Wallace, Vice President

By: D. Seward Woelper  
D. Seward Woelper, A.S./A.T

**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

18107083

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

11/1/2005



MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY  
BALTIMORE, MARYLAND 21201

18107083

# INDEMNIFICATION AGREEMENT

Date 10/25/04

In consideration of your issuance of Irrevocable Clean Letter of Credit ("Credit") No. 8785  
for \$ 1,000,000.00 in favor of Zurich Insurance Company

For the account of: Erickson Retirement Communities

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 #168000075 mlt  
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,

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 Communities, LLC

Name of Corporation or Partnership

By

By

ID-445020 (4/80)

(SEAL)

(SEAL)

(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

ERICKSON 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	BASIS AMOUNT	RATE	FEE AMOUNT	
10/25/2009 12/31/2009	68	1,000,000.00	1.50%	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.

CI15 2 IDS CDA/REA CUSTOMER INQUIRY 02/16/10 14.19.38  
BANK 40 MS ACTION SUCCESSFUL  
ACCT> ██████████6209 PROD> CDA BRANCH 00411 COST CENTER 0005592  
CUSTOMER NUMBER 3100145031 SUBPRDCT 01 FIXED RATE  
NAME ERICKSON RETIREMENT COMMU SUBOWNER 05 CORPORATION

NAME ERICKSON RETIREMENT COMMUNITIES RELATIONSHIP  
& 701 MAIDEN CHOICE LN TIN 52-2003375  
ADDR CATONSVILLE MD 21228-5968 WTHLD CD PC CERTIFIED TIN  
DATE WTHLD CERT 12/31/2009  
BIRTH DATE  
LAST MAINT DATE 12/31/2009  
REA PLAN  
PACKAGE CD ADDED  
REMOVED  
COUNTRY

SEL	SUB	ACCOUNT	RST	ISS/RENEW	MATURES	PKG	APY	CURRENT BALANCE	STAT
01		██████████6209	Y	10/26/2008	10/31/2010		1.85	1,088,466.53	99

TOTAL 1 1,088,466.53

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

REDACTED

CI10 3 IDS CDA/REA FINANCIAL INQUIRY 02/17/10 10.20.57  
 BANK 40 MS ACTION SUCCESSFUL  
 ACCT> ██████████6209 PROD> CDA BRANCH 00411 COST CENTER 0005592  
 CUSTOMER NUMBER 3100145031 SUBPRDCT 01 FIXED RATE  
 NAME ERICKSON RETIREMENT COMMU SUBOWNER 05 CORPORATION

ORIGINAL PURCHASE	1,064,008.36	ISSUED 10/26/2008	STAT 99 ACTIVE
		MATURE 10/31/2010	TERM 735 D
CURRENT BALANCE	1,088,466.53		
ASSIGNMENTS/PLEDGES	1,000,000.00	REA PLAN	
		LAST REA RATE CHANGE	
INT ACCRUED TO 02/17/2010	1,146.02	PYMT METHOD TA	INTEREST PYMT TO ACCT
LAST INT PYMT 01/26/2010	1,689.12	PYMT FREQ IM	MONTHLY FROM ISSUE
W/H CODE PC LAST INT W/H		INT ACCT#	
INTEREST PAID YTD	1,689.12	MAIL CODE 01	REGULAR MAIL
INTEREST WITHHELD YTD		AIP STAT	AIP GEN DATE
INTEREST PAID LAST YR	22,769.05	AIP PAYMENT AMT	
INTEREST WHLD LAST YR		AIP NEXT INT PYMT DATE	
LAST DEPOSIT 01/26/2010	1,689.12	AIP NEXT INT AMT	
FEATURE			
OPENED 10/26/2008	LAST ACTY 12/16/2009	REDEFINED	TYPE
CLOSED	LAST MAINT 12/31/2009	BR/CC XFR	

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

REDACTED

# 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



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 Sent  
MS*



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: 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.

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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

wft: PNCCUS33  
telephone: 1-800-682-4689



IN REFERENCE TO AMENDMENT UNDER OUR LETTER OF CREDIT NUMBER  
18107421-00-000

☒ 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 INSURANCE CO.

BY:

DATE:

*Diabolo Cash*  
10/24/2007

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: 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.

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



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



**MERCANTILE-SAFE DEPOSIT  
AND TRUST COMPANY**

**AMENDMENT TO IRREVOCABLE 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**

By: D. Seward Woelper  
D. Seward Woelper, Assistant Vice President

By: Norma C. Banks  
Norma C. Banks, Assistant Vice President



**MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY**

**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.



MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

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: Barbara R. Wallace  
Barbara R. Wallace, Senior Vice President

By: D. Seward Woelper  
D. Seward Woelper, Assistant Vice President



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

18107421

**INDEMNIFICATION AGREEMENT**

Date 1/21/05

In consideration of your issuance of Irrevocable Clean Letter of Credit ("Credit") No. \_\_\_\_\_  
for \$ 1,250,000.00 in favor of Zurich American  
Insurance Company

For the account of: Erickson Retirement Communities, LLC

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 hereinafter shall be referred to as "collateral", and

WE, JOINTLY AND SEVERALLY, HEREBY AGREE,

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 Communities, LLC

Name of Corporation or Partnership

By [Signature]

By \_\_\_\_\_

1.01-448020 (4/80)

(SEAL)

(SEAL)

(SEAL)



OFFICE MEMORANDUM  
OF  
MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

18107421

**DATE:** March 22, 2004  
**TO:** Jason Weber  
Norma Banks  
**FROM:** Chip Woelper *CS*  
**RE:** Erickson Retirement Communities, LLC: Assignment of Certificate of Deposit

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

<u>CD Number</u>	<u>Community Name</u>	<u>Principal</u>	<u>Collateral #</u>
168000982	Erickson Retirement Communities	88,238	400150695
168000983	Erickson Construction, Inc	148,445	400150696
168000984	Henry Ford Village, Inc.	202,843	400150697
168000985	Seabrook Village, Inc.	175,428	400150698
168000986	Cedar Crest Village, Inc.	147,300	400150699
168000987	Greenspring Village, Inc.	149,677	400150700
168000988	Brooksby Village, Inc.	169,779	400150701
168000989	Ann's Choice, Inc.	91,646	400150702
168000990	Fox Run Village	47,291	400150703
168000991	Linden Ponds, Inc.	23,507	400150704
168000992	Eagles Trace, Inc.	4,320	400150706
168000993	Sedgebrook, Inc.	1,526	400150765
<b>TOTAL:</b>		<b><u>1,250,000</u></b>	

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  
as  
security for the issuance of our Letter of Credit no. 8847:

168000982	\$88,238
168000983	148,445
168000984	202,843
168000985	175,428
168000986	147,300
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  
(419) 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:

BILLING PERIOD:	DAYS	AMOUNT	RATE	COMMISSION
09/30/2009	STANDBY COMMISSION			
07/01/2009	09/30/2009 92	\$1,250,000.00	1.00	\$3,194.44
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

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

ACCOUNTS RECEIVABLE ADVICE

---

OUR REFERENCE:	18107421-00-000
APPLICANT:	ERICKSON RETIREMENT COMMUNITIES LLC
BENEFICIARY:	ZURICH AMERICAN INSURANCE CO.

---

THE FOLLOWING FEES ARE NOW DUE:

---

STANDBY COMMISSION				
BILLING PERIOD:	DAYS	BASIS AMOUNT	RATE	FEE AMOUNT
10/01/2009 12/31/2009	92	1,250,000.00	1.00%	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

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 14.19.47  
BANK 40 MS ACTION SUCCESSFUL  
ACCT> [REDACTED] 3068 PROD> CDA BRANCH 00411 COST CENTER 0005592  
CUSTOMER NUMBER 3600132166 SUBPRDCT 01 FIXED RATE  
NAME ERICKSON RETIREMENT COMM SUBOWNER 05 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  
REMOVED

COUNTRY

SEL	SUB	ACCOUNT	RST	ISS/RENEW	MATURES	PKG	APY	CURRENT BALANCE	STAT
	01	[REDACTED] 3068	Y	03/24/2009	03/24/2010		1.21	1,294,020.94	99
	01	[REDACTED] 6030	Y	02/06/2010	08/06/2010		.25	1,875,000.00	99
	01	[REDACTED] 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

CI10 3 IDS CDA/REA FINANCIAL INQUIRY 02/17/10 10.21.06

BANK 40 MS ACTION SUCCESSFUL  
ACCT> [REDACTED] 3068 PROD> CDA BRANCH 00411 COST CENTER 0005592  
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

INT ACCRUED TO 02/17/2010

978.50

LAST INT PYMT 01/24/2010

1,317.49

W/H CODE PC LAST INT W/H

INTEREST PAID YTD

1,317.49

INTEREST WITHHELD YTD

INTEREST PAID LAST YR

19,322.83

INTEREST WHLD LAST YR

LAST DEPOSIT 01/24/2010

1,317.49

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

# EXHIBIT 8

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

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



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 to be  
to be  
File 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



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:	18108167-00-000
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 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.

*Not sent to Gene*

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



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

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

IRREVOCABLE STANDBY LETTER OF CREDIT

---

OUR REFERENCE: 18108167-00-000  
AMOUNT: USD \$1,875,000.00  
ISSUE DATE: OCTOBER 30, 2007  
EXPIRY DATE: NOVEMBER 15, 2008  
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 ASSOCIATION, 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.

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

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: 18108167-00-000  
APPLICANT: ERICKSON RETIREMENT COMMUNITIES LLC  
BENEFICIARY: ZURICH AMERICAN INSURANCE COMPANY

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	AMOUNT	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

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

ACCOUNTS RECEIVABLE ADVICE

---

OUR REFERENCE:	18108167-00-000
APPLICANT:	ERICKSON RETIREMENT COMMUNITIES LLC
BENEFICIARY:	ZURICH AMERICAN INSURANCE COMPANY

---

THE FOLLOWING FEES ARE NOW DUE:

STANDBY COMMISSION					
BILLING PERIOD:	DAYS	BASIS AMOUNT	RATE	FEE AMOUNT	
10/01/2009 12/31/2009	92	1,875,000.00	1.00%	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

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 14.19.54  
BANK 40 MS ACTION SUCCESSFUL  
ACCT> [REDACTED] 1887 PROD> CDA BRANCH 00411 COST CENTER 0005592  
CUSTOMER NUMBER 3600132011 SUBPRDCT 01 FIXED RATE  
NAME ERICKSON RETIREMENT COMMU SUBOWNER 05 CORPORATION

NAME ERICKSON RETIREMENT COMMUNITIES RELATIONSHIP  
& 991 CORPORATE BLVD TIN 52-2003375  
ADDR LINTHICUM HEIGHTS MD 21090-2227 WTHLD CD PC CERTIFIED TIN  
DATE WTHLD CERT 01/23/2008  
BIRTH DATE  
LAST MAINT DATE 01/23/2008  
REA PLAN  
PACKAGE CD ADDED  
REMOVED

COUNTRY

SEL	SUB	ACCOUNT	RST	ISS/RENEW	MATURES	PKG	APY	CURRENT BALANCE	STAT
01	[REDACTED]	1887	Y	01/14/2010	01/14/2011		.65	1,897,567.76	99
01	[REDACTED]	6111	Y	01/22/2010	03/10/2011		.50	220,000.00	99

TOTAL

2

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

CI10 3 IDS CDA/REA FINANCIAL INQUIRY 02/17/10 10.21.13  
 BANK 40 MS ACTION SUCCESSFUL  
 ACCT> [REDACTED] 1887 PROD> CDA BRANCH 00411 COST CENTER 0005592  
 CUSTOMER NUMBER 3600132011 SUBPRDCT 01 FIXED RATE  
 NAME ERICKSON RETIREMENT COMMU SUBOWNER 05 CORPORATION

ORIGINAL PURCHASE	1,875,000.00	ISSUED 01/14/2010	STAT 99 ACTIVE
		MATURE 01/14/2011	TERM 12 M
CURRENT BALANCE	1,897,567.76		
ASSIGNMENTS/PLEDGES	1,875,000.00	REA PLAN	
		LAST REA RATE CHANGE	
INT ACCRUED TO 02/17/2010	67.59	PYMT METHOD TA	INTEREST PYMT TO ACCT
LAST INT PYMT 02/14/2010	1,080.74	PYMT FREQ IM	MONTHLY FROM ISSUE
W/H CODE PC LAST INT W/H		INT ACCT#	
INTEREST PAID YTD	2,856.06	MAIL CODE 01	REGULAR MAIL
INTEREST WITHHELD YTD		AIP STAT	AIP GEN DATE
INTEREST PAID LAST YR	23,936.94	AIP PAYMENT AMT	
INTEREST WHLD LAST YR		AIP NEXT INT PYMT DATE	
LAST DEPOSIT 02/14/2010	1,080.74	AIP NEXT INT AMT	
FEATURE			
OPENED 12/21/2007	LAST ACTY 01/15/2009	REDEFINED 01/14/2009	TYPE EC
CLOSED	LAST MAINT 01/15/2009	BR/CC XFR	

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

REDACTED

# EXHIBIT 9



**ENTERED**

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.

*Hay H. C. Jannig*  
United States Bankruptcy Judge

Signed January 25, 2010

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

In re:

ERICKSON RETIREMENT  
COMMUNITIES, LLC, *et al.*,<sup>1</sup>

Debtors.

§  
§  
§  
§  
§  
§

CASE NO. 09-37010 (SGJ)

CHAPTER 11

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>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. Petition Date. 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. Jurisdiction and Venue. 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. Notice. 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. Disposition. 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. PNC's Protections. 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 Exhibit A 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. Immediate Entry of Order. 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. Incorporation of Stipulations and Findings. 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.

2. Authorization to Incur Secured Credit and Enter Into Letter of Credit 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

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

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. Liens and Priorities Granted to PNC. 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



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. No Impairment. 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. Notice. 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. Binding Effect. 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. Survival of Rights. 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. Final Order. 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,

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

15. 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. Headings and Capitalized Terms. 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. Insurance Policies. 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.

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

**Letters of Credit**

<u>Beneficiary</u>	<u>LOC Number</u>	<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**

<u>COD Number</u>	<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

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

Thomas R. Califano  
thomas.califano@dlapiper.com  
Jeremy R. Johnson  
jeremy.johnson@dlapiper.com  
DLA Piper LLP (US)  
1251 Avenue of the Americas  
New York, New York 10020-1104  
Tel: (212) 835-6000  
Fax: (212) 835-6001

Attorneys for the Debtors  
and Debtors in Possession

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

<b>In re:</b>	§	<b>CASE NO. 09-37010 (SGJ)</b>
	§	
<b>ERICKSON RETIREMENT</b>	§	<b>CHAPTER 11</b>
<b>COMMUNITIES, LLC, <i>et al.</i>,<sup>1</sup></b>	§	
	§	<b>Jointly Administered</b>
<b>Debtors.</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 "Debtors") by their proposed attorneys, DLA Piper LLP (US) ("DLA Piper"), hereby move (the "Motion"), pursuant to section 105(a), 361, 362, 363, and 364 of title 11 of the United States Code (the "Bankruptcy Code"), this Court for entry of an order authorizing the Debtors to continue their

<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

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<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").<sup>3</sup> 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 (xxxxxx0742) 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 (xxxxxx6005) 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

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<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 (xxxxxxx6030) 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 least \$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 Policies 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

Thomas R. Califano  
thomas.califano@dlapiper.com  
Jeremy R. Johnson  
jeremy.johnson@dlapiper.com  
DLA Piper LLP (US)  
1251 Avenue of the Americas  
New York, New York 10020-1104  
Tel: (212) 835-6000  
Fax: (212) 835-6001

Attorneys for the Debtors and Debtors in Possession

LAW OFFICES  
**GEBHARDT & SMITH LLP**  
SUITE 2200  
ONE SOUTH STREET  
BALTIMORE, MARYLAND 21202-3281  
TELEPHONE: (410) 752-5830  
FACSIMILE: (410) 385-5119

WRITER'S DIRECT DIAL NUMBER:

**410-385-5105**  
***jbilo@gebsmith.com***

February 24, 2010

WILMINGTON OFFICE:  
SUITE 451  
901 MARKET STREET  
WILMINGTON, DELAWARE 19801  
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