B 10 (Official Form 10) (12/08)

UNITED STATES BANKRUPTCY COURT Northern District of Texas | **PROOF OF CLAIM**

Name of Debtor: NOVI CAMPUS, LLC | Case Number: 09-37025

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):
Bank of America,, N.A., Successor To LaSalle Bank, National Association

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BMC GROUP

Name and address where notices should be sent:
Bank of America, N.A.
231 South LaSalle Street, Chicago, IL 60604
Attn: Ciara Forrest, Vice President

Telephone number:
(312) 537-6025

☐ Check this box to indicate that this claim amends a previously filed claim.

Court Claim Number:_____
(*If known*)

Filed on:_____

Name and address where payment should be sent (if different from above):
PNC Bank, National Association, As Collateral And Administrative Agent
Mail Stop: C3-CA01-19-1, Two Hopkins Plaza, 19th Floor, Baltimore, MD 21201
Attn: Wendy Andrus, Vice President

Telephone number:
(410) 237-5923

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: $ 5,345,258.89**

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

☑ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. Basis for Claim: SEE ATTACHED
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: _____

3a. Debtor may have scheduled account as: _____
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)
Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: ☑ Real Estate ☐ Motor Vehicle ☑ Other
Describe: SEE ATTACHED

Value of Property:$_____ **Annual Interest Rate**_____%

Amount of arrearage and other charges as of time case filed included in secured claim,

if any: $ SEE ATTACHED **Basis for perfection:** SEE ATTACHED

Amount of Secured Claim: $ 5,345,258.89 **Amount Unsecured:** $_____

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

☐ Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

☐ 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).

☐ Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).

☐ Up to $2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).

☐ Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).

☐ Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(__).

Amount entitled to priority:

$_____

**Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (*See instruction 7 and definition of "redacted" on reverse side.)*

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

Date: 2/22/10

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

BANK OF AMERICA, N.A., SUCCESSOR TO LASALLE BANK, NATIONAL ASSOCIATION
By: Ciara Forrest, Vice President

Ciara Forrest, VP

FOR COURT USE ONLY

Erickson Ret. Comm. LLC
01133

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

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

RIDER TO PROOF OF CLAIM

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A true and correct copy of the form of Residence and Care Agreement (defined above) is provided on the Exhibit CD as **Exhibit 20**. The Lease (defined above) includes, without limitation, the Master Lease and Use Agreement dated as of February 12, 2002 by and between Novi and the Tenant, as amended pursuant to the Fox Run Village Amendment to Master Lease and Use Agreement dated to be effective as of January 1, 2003 and as further amended pursuant to the Fox Run village Retirement Community Second Amendment to Master Lease and Use Agreement dated to be effective as of February 28, 2003, and the Memorandum of Master Lease dated to be effective as of February 12, 2002 by and between Novi and the Tenant, copies of which are provided on the Exhibit CD as **Exhibit 21**. The Working Capital Loan Documents (defined above) include without limitation, the Working Capital Loan Agreement dated as of February 12, 2002 by and between the Tenant and Novi, the Working Capital Promissory Note dated as of February 12, 2002 by the Tenant and payable to the order of Novi in the originally stated principal amount of Sixteen Million Dollars ($16,000,000.00), the Lockbox Account Agreement dated as of February 12, 2002 by and between the Tenant and Novi, copies of which are provided on the Exhibit CD as **Exhibit 22**. The Community Loan Documents (defined above), include without limitation, the Community Loan Agreement dated as of February 12, 2002 by and between the Tenant and Novi ("**Community Loan Agreement**"), the Mortgage dated as of February 12, 2002 ("**Junior Mortgage**") by Novi to the Tenant recorded among the Land Records of Oakland County, Michigan Register of Deeds as instrument no. 291097, Liber 26043, pages716-737, copies of which are provided on the Exhibit CD as **Exhibit 23**. The Management Agreement (defined above) includes, without limitation, the Amended and Restated Management and Marketing Agreement dated as of February 12, 2004 between the Tenant and ERC (amending and restating in its entirety the Management and Marketing Agreement dated as of February 12, 2002) a copy of which is provided on the Exhibit CD as **Exhibit 24**. The Development Agreement (defined above) includes, without limitation, the Development Agreement dated as of February 12, 2002 by and between Novi and ERC, and the Development Agreement January 14, 2002 by and between Novi, Norman Steel and Lawrence Steel, and the City of Novi, copies of which are provided on the Exhibit CD as **Exhibit 25**.

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

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

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

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

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

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

2. Chesapeake Bank Of Maryland

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

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

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

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

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $1,034.42)

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

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

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $2,037.79 [Not Including Letter Of Credit Obligations])
(Letter Of Credit per diem interest as of Petition Date of $59.82)

4. The Columbia Bank

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

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $620.65)

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

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

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

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

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

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

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

2. Chesapeake Bank Of Maryland

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

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

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

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

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

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

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

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $2,037.79 [Not Including Letter Of Credit Obligations])
(Letter Of Credit per diem interest as of Petition Date of $59.82)

5. The Columbia Bank

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

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $620.65)

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

Interest:	$ 347,356.63
Late Charges:	$ 13,326.47
Legal fees and expenses	
(Counsel for Lender):	$ 97,202.06
(Counsel for Participants):	$ 830.20
Professional fees (non-legal):	$ 61,606.50
Appraisal fees:	$ 18,000.00
Other Fees and Expenses:	$
Letter of Credit Fees:	$ 4,366.86
Total (10/19/09 – 12/31/09):	**$ 542,688.72**

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

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

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

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

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

WINSTON & STRAWN LLP

35 West Wacker Drive, Chicago, Illinois 60601-9703
P: (312) 558-5600 F: (312) 558-5700

Electronic Letterhead

CHARLOTTE • CHICAGO • GENEVA • HONG KONG • LONDON • LOS ANGELES • MOSCOW • NEW YORK • NEWARK • PARIS • SAN FRANCISCO • WASHINGTON, D.C.

WRITER'S DIRECT DIAL
(312) 558-6083
mkjaer@winston.com

RECEIVED
FEB 24 2010
BMC GROUP

February 23, 2010

BY OVERNIGHT DELIVERY

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

Re: Proofs of Claim: Case Numbers 09-37010, 09-37015, 09-37016 and 09-37025

Dear Claims Agent:

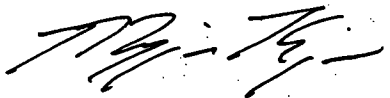
Enclosed herein please find four separate proofs of claim (collectively, the "Claims") of Bank of America, N.A., ("Bank of America") in its individual capacity as a senior secured prepetition revolving lender for the Novi Campus, LLC ("Novi Campus") facility to be filed, respectively, against (i) Erickson Retirement Communities, LLC, (ii) Erickson Group, LLC, (iii) Erickson Construction, LLC and (iv) Novi Campus, LLC (collectively, the "Debtors").

In accordance with the Order Granting Joint Motion to Establish Protocol Under Federal Rules of Bankruptcy Procedure 3001(c) and 3001(d) for Filing Proofs of Claim [Docket No. 797] (the "Claims Protocol Order"), the Exhibits to each of the Claims are attached in the CD enclosed with each of the Claims.

In addition, a copy of each of the Claims (the "Copies") is enclosed herein with a stamped, self-addressed envelope. Kindly file each Claim in its respective Debtor's case and date-stamp and return the Copies to the following address: Winston & Strawn LLP, Attn. Myja K. Kjaer, 35 West Wacker Drive, Chicago, Illinois 60613.

Thank you very much for your assistance. If you have any questions regarding this matter, please contact me at (312) 558-6083.

Sincerely,



Myja K. Kjaer, Esq.

Enclosures

EXHIBIT 1

"Participation Agreements"

1. Participation Agreement Between The Lender And Bank Of America, N.A., Successor In Interest To LaSalle Bank, National Association;

2. Participation Agreement Between The Lender And Chesapeake Bank Of Maryland

3. Participation Agreement Between The Lender And KeyBank, National Association, Successor To Key Corporate Capital Inc.

4. Participation Agreement Between The Lender And The Columbia Bank

5. Amendment To Participation Agreement Between The Lender And The Columbia Bank

PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT (this "**Agreement**") is made as of the 30th of June, 2003, by and between MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation (the "**Originator**"), and LASALLE BANK NATIONAL ASSOCIATION (the "**Participant**").

RECITALS

R-1. On or about February 12, 2002 (the "**Closing Date**") the Originator agreed to lend, on a revolving credit basis, to Novi Campus, LLC, a Maryland limited liability company (the "**Borrower**"), the principal sum of Forty-Six Million Dollars ($46,000,000) (the "**Loan**"), in accordance with a Construction Loan Agreement dated as of the Closing Date entered into between Borrower and the Originator (the Construction Loan Agreement, as the same may hereafter be amended, restated or extended, is hereinafter referred to as the "**Loan Agreement**").

R-2. The Loan is evidenced by a Revolving Loan Note dated as of the Closing Date made by Borrower to the order of the Originator (the Revolving Loan Note, as the same may hereafter be amended, restated, or extended, is hereinafter referred to as the "**Note**"). The Borrower's obligations under the Note are (i) guaranteed pursuant to the terms of a Guaranty Agreement dated as of the Closing Date (the Guaranty Agreement, as the same may hereafter be amended, restated, or extended, is hereinafter referred to as the "**Guaranty**") executed by Erickson Retirement Communities, LLC and Erickson Group, LLC, each a Maryland limited liability company (each of which entities is hereinafter referred to as a "**Guarantor**", and both of which entities are hereinafter collectively referred to as the "**Guarantors**"), and (ii) secured by (among other agreements) a Mortgage dated as of the Closing Date from the Borrower to the Originator, and recorded in the land records of Oakland County, Michigan (the Mortgage, as the same may hereafter be amended, restated, or extended, is hereinafter referred to as the "**Mortgage**").

R-3. The Loan Agreement, the Note, the Guaranty, the Mortgage, and all other documents executed by Borrower or Guarantors in connection with the Loan and all related documents, as the same may be amended, restated, supplemented or otherwise modified from time to time (subject to the terms and conditions of this Agreement) are hereinafter sometimes collectively referred to as the "**Loan Documents**" (such term being intended to have the same meaning as is ascribed to it in the Loan Agreement).

R-4. The Participant has agreed to purchase on a non-recourse basis, an undivided ownership interest in the Loan upon the terms and subject to the conditions set forth in this Agreement.

R-5. Pursuant to the terms of this Agreement, the Originator and the Participant desire to set forth their respective obligations, covenants and agreements relating to the Loan and the security therefor.

R-6. For the convenience of the parties, the Loan Documents have been delivered to and taken in the name of the Originator on behalf of both the Originator and Participant, and the

Originator shall be responsible for the general supervision and management of the Loan, in accordance with, and subject to, the terms hereof.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties, intending to be legally bound, agree as follows:

1. **DEFINED TERMS**. Unless otherwise specifically defined herein, all capitalized terms used in this Agreement shall have the same meanings and definitions ascribed to them in the Loan Agreement. A listing of terms defined in this Agreement is set forth on **Schedule I** attached hereto. In addition, the following terms used in this Agreement shall have the meanings set forth in this Section:

(a) "**Participants**" means collectively the Participant and all other parties which at any time own a participation interest in the Loan during the term of this Agreement.

(b) "**Participation Agreements**" means, collectively, this Agreement and all other participation agreements in form and substance similar to this Agreement pursuant to which Participants acquire a Participation Interest in the Loan, excluding "blind participations" as described in Section 12.2 hereof.

(c) "**Required Consent**" means the prior written consent of the Originator and of Participants holding Actual Participation Percentages which, when aggregated with the Originator's Ownership Percentage exceed 50% of the total percentage interests in the Loan other than percentage interests of any Defaulting Participant (as hereinafter defined) (such total interests minus the interests of any Defaulting Participant being referred to herein as **"Non-Defaulting Percentage Interests"**); provided, however, that if the Originator's Ownership Percentage exceeds 50% of the Non-Defaulting Percentage Interests and there is at least one Participant which is not a Defaulting Participant, then "**Required Consent**" shall mean the prior, written consent of the Originator and at least one Participant which is not a Defaulting Participant; and provided further that if the Originator's Ownership Percentage exceeds 50% of the Non-Defaulting Percentage Interests, but there are no Participants which are not Defaulting Participants, then "Required Consent" shall mean the prior, written consent of the Originator only.

(d) "**Unanimous Consent**" means the prior written consent of the Originator and of each of the Participants which is not a Defaulting Participant.

2. **PURCHASE AND SALE OF PARTICIPATION.**

2.1. The Originator hereby sells, without recourse, representation or warranty, except as expressly set forth herein, to the Participant and the Participant hereby purchases from the Originator, commencing from the date hereof, an undivided ownership interest in the Loan in the percentage shown on **Exhibit A** attached hereto (each Participant's committed percentage interest in the Loan as shown on **Exhibit A** to each Participation Agreement is hereinafter referred to as its "**Committed Participation Percentage**", but as the same may be adjusted from time to time in accordance with the provisions of Section 6.2 of this Agreement and similar provisions of other Participation Agreements is hereinafter referred to as its "**Actual**

Participation Percentage"). The Participant hereby covenants and agrees that it is obligated to purchase its Committed Participation Percentage in all outstanding Advances made by the Originator under the Loan Agreement as of the date hereof, and that it is further obligated to fund its Committed Participation Percentage of any additional Advance to be made under the Loan Agreement, in an amount equal to its Committed Participation Percentage multiplied by the aggregate amount of such additional Advance. The Participant acknowledges that the Loan is a revolving credit facility and that Borrower has the right to repay any or all Advances made under the Loan Documents and, subject to the terms and conditions of the Loan Documents, to require the Originator to re-advance such repaid amounts.

2.2. There is no assurance that the full amount of the Loan shall be funded. For purposes of this Agreement, each Participant's ownership interest in the Loan shall be equal to its Actual Participation Percentage at any time multiplied by that amount of the Loan actually funded and outstanding at such time (each Participant's ownership interest in the Loan is herein its "**Participation Interest**").

2.3. The purchase price (the "**Purchase Price**") for each Participant's Participation Interest shall be equal to the product of (i) the total outstanding principal of the Loan together with all accrued interest and costs due and owing by Borrower under the Loan Agreement, calculated as of the date of funding, and (ii) the applicable Committed Participation Percentage. The Participant shall pay its Purchase Price to the Originator by wire transfer of immediately available funds in accordance with the Originator's wiring instruction attached hereto as **Exhibit B** on or before July 1, 2003.

2.4. As used in this Agreement, "**Advances**" means and includes the principal amount of each advance (or, if applicable, re-advance) of the Loan that is made by the Originator under the Loan Agreement. Advances include all amounts funded by the Originator as the result of a draw against a letter of credit issued by the Originator pursuant to the Loan Documents. The occurrence of an Event of Default under the Loan Documents shall not relieve the Participant of its obligations to advance to the Originator or reimburse the Originator for the Participant's Committed Participation Percentage of any draw under any letter of credit, which obligation shall be absolute and unconditional at all times during the term of this Agreement.

2.5. The "**Originator's Ownership Percentage**" shall be that percentage of the Loan determined by subtracting the aggregate Actual Participation Percentage of each of the Participants from one hundred percent (100%). The Originator shall be entitled to sell other or additional participation interests in and to the Loan on the terms provided in Sections 6.3 and 12.2 of this Agreement (subject, however, to the Minimum Originator's Ownership Percentage as specified therein).

2.6. Following a Participant Event of Default, the Participant's Actual Participation Percentage may be adjusted in accordance with the terms of Section 6.2 hereof.

3. PARTICIPATION PROCEDURE.

3.1. Upon Originator's receipt of the applicable Purchase Price from a Participant, such Participant's funding obligations with respect to the Loan for all Advances made by Originator prior to the date of funding, shall be deemed satisfied.

3.2. Originator shall receive and evaluate any subsequent requests from Borrower for Advances to be made under the Loan Agreement (each such request is herein an "**Advance Request**"). If Originator determines that Borrower's Request Advance is in sufficient detail and properly documented in accordance with the terms of the Loan Documents, including all required inspection reports, project status reports and completion budgets, and that Borrower is entitled to receive the requested Advance under the Loan Agreement, then Originator shall promptly provide the Participant with written notice of the Advance Request. Originator's notice to each Participant shall include (i) a summary of the Advance Request (showing percentage of completion for each phase), (ii) a copy of any approval issued by the Construction Inspector (as defined in the Loan Agreement) in connection with such Advance Request, (iii) the total amount of the Advance Request; (iv) the amount of such Participant's funding obligation relating to such Advance Request as calculated based on such Participant's Committed Participation Percentages; and (v) the due date for such Participant to fund its portion of the Advance Request (the "**Funding Date**"). The Participant shall be obligated to remit to Originator its portion of the Advance on or before its applicable Funding Date, but not sooner than one (1) Business Day following its receipt of the Originator's notice (including all items specified above). All payments to be made to Originator shall be made by wire transfer of immediately available funds in accordance with Originator's wiring instructions attached hereto as **Exhibit B**.

3.3. Each Participant's Participation Interest shall be evidenced by a "Participation Certificate" in the form of Exhibit C attached hereto and made a part hereof by this reference. The Originator shall issue a Participation Certificate to a Participant upon its receipt of the applicable Purchase Price from such Participant. If the Originator fails to deliver a Participation Certificate to any Participant as and when required under the Participation Agreements, the Originator's receipt of a Participant's payment of its Purchase Price shall evidence such Participant's Participation Interest and shall confer on such Participant an interest in all rights and benefits under the Loan and the Loan Documents, subject to the terms and conditions of such Participant's Participation Agreement.

4. INTEREST ON PARTICIPATION.

4.1. From and after the date of the Originator's receipt of a Participant's applicable Purchase Price, such Participant shall be entitled to receive with respect to its Participation Interest, interest calculated at the interest rate applicable under the Note (the "**Interest Rate**"), which is the Prime Rate (as defined below) plus one-quarter percent (¼%) per annum. As used herein the term "**Prime Rate**" refers to that interest rate set by the Originator from time to time as an interest rate base for borrowings. The Prime Rate is one of several interest rate bases used by the Originator. The Originator lends at rates above and below the Prime Rate.

4.2. Interest on a Participant's Participation Interest shall be calculated on the basis of a 360-day year factor applied to actual days elapsed, and, shall be adjusted on any date on which a change in the Originator's Prime Rate is effective.

4.3. If an Event of Default exists under the Loan Documents and Originator receives payment of interest under the Note at the Default Interest Rate (as defined in the Note) or if the Originator receives the payment of any late charge or late fee under the Loan Documents, then each Participant holding a Participation Interest shall be entitled to a portion of such default interest payment, late charge or late fee calculated based on such Participant's Actual Participation Percentage.

4.4. Notwithstanding any provision of this Agreement to the contrary, the Originator's obligation to remit payments of interest, late charges or late fees to the Participants under this Section 4 or any similar provision of the other Participation Agreements shall be expressly conditioned and contingent upon the Originator's receipt of such funds from or on behalf of the Borrower. Further, if and to the extent the Loan Documents provide that the Originator may elect how and in what order funds received from or on behalf of Borrower are to be applied to Borrower's obligations under the Loan Documents, the Originator's election shall be conclusive as to such application and the provisions of this Section 4 and similar provisions of other Participation Agreements shall apply only as to funds actually received from or on behalf of Borrower which are determined by the Originator to be applied to the payment of interest and/or late charges or late fees payable under the Loan Documents.

4.5. All payments to be made under the terms of this Section 4 shall be made by the Originator within the time periods described in Section 12 hereof.

5. PAYMENTS OF PRINCIPAL.

5.1. Other than the payment of interest, late charges and late fees as provided in Section 4 above (and similar provisions of other Participation Agreements), the repayment of the principal portion of the Participant's Participation Interest as provided in this Section 5 (and similar provisions of other Participation Agreements), and a one-half percent (½%) participation fee (a "**Participation Fee**") based on the Participant's "**Maximum Dollar Amount**" (such term meaning, with respect to each of the Participants, the maximum principal amount of the Loan times such Participant's Committed Percentage Amount), which shall be earned and payable to the Participant (subject only to the forfeiture and reimbursement provisions of Section 6.1 (and similar provisions of other Participation Agreements)) on the date of the Participant's payment of the applicable Purchase Price for its Participation Interest, the Participant shall not be entitled to receive any portion of the payment of any loan fees, additional fees, premiums or other payments that may be payable by Borrower in connection with the Loan. Notwithstanding the foregoing, if any Participant does not fund its applicable Purchase Price on or prior to October 1, 2002 the Participation Fee payable to such Participant (if any) shall be determined by the Originator in its sole discretion. No Participation Fee shall be paid by the Originator to a Participant which succeeds to the rights of the Participant under this Agreement as a result of an approved assignment under Section 16 hereof.

5.2. The Participant and the Originator agree that during the continuance of this Agreement, all payments of principal received by the Originator from or on behalf of the Borrower (hereinafter the "**Principal Payments**"), shall be applied as set forth in Section 12 hereof. Principal Payments may be derived from all or any portion of the following amounts received by the Originator in connection with the Loan:

(i) Principal repayments or prepayments (subject to the Participant's agreement to re-advance its share thereof if Borrower is entitled to the re-advance thereof pursuant to the Loan Documents).

(ii) Proceeds from the sale of the Loan (excluding amounts received by the Originator in respect of the sale of additional or other Participation Interests or other participations in the Loan).

(iii) Proceeds realized from the Property or any other property held as security for the Loan.

(iv) Payments received under the Guaranty, subject to the provisions of Section 5.3 below.

(v) Amounts received pursuant to Section 12 hereof (and similar provisions of other Participation Agreements).

5.3. Notwithstanding the foregoing or any other contrary provision of this Agreement, the Participant acknowledges that the Originator holds guarantees from the Guarantors for loans and obligations other than the Loan and the obligations arising under the Loan Documents, and agrees that payments received from the Guarantors shall be applicable to the Loan and/or the Loan Documents only to the extent such sums are either agreed by the Originator in writing on or after the date of receipt to be applicable to the Loan and/or the Loan Documents or are actually applied by the Originator to obligations owing in connection with the Loan in accordance with the Loan Documents.

5.4. Notwithstanding any provision of this Agreement to the contrary, if and to the extent the Loan Documents provide that the Originator may elect how and in what order funds received from or on behalf of Borrower are to be applied to obligations under the Loan Documents, the Originator's election shall be conclusive as to such application and the provisions of this Section 5 shall apply only as to funds received from or on behalf of Borrower which are determined by the Originator to be applied to the payment of principal under the Loan Documents.

5.5. All payments to be made under the terms of this Section 5 shall be made by the Originator within the time periods described in Section 12 hereof.

6. PARTICIPANT DEFAULT.

6.1. The failure of any of the Participants to pay when due any of its payment obligations to Originator in the manner and within the time frames set forth herein or in the other Participation Agreements shall constitute a default as it relates to said Participant (hereinafter, the "**Defaulting Participant**"). If the Defaulting Participant fails to cure such default within five (5) Business Days following Originator's delivery of notice of default (given in accordance with the provisions of Section 20 hereof), then said default shall constitute a "**Participant Event of Default.**" If a Participant Event of Default occurs within three (3) years from the date of its applicable Participation Agreement, the Defaulting Participant shall forfeit its Participation Fee in its entirety, and shall immediately upon demand of the Originator reimburse the Originator the

amount of such Participation Fee. Following a Participant Event of Default, the Originator shall be entitle to pursue any and all remedies available at law or in equity against the Defaulting Participant. The failure of any or all of the other Participants to pay when due any of its or their payment obligations shall not relieve the Participant of its obligations hereunder.

6.2. The Originator shall give written notice to the Participant of any Participant Event of Default relating to any or all of the other Participants. In the event of a Participant Event of Default and provided that the Originator does not elect to exercise the Purchase Option set forth in Section 6.3 below, the remaining Participants (other than the Defaulting Participant) and Originator shall be obligated to fund any unpaid obligation of the Defaulting Participant (including all amounts owing hereunder, whether in respect of Advances, amounts returned or refunded in accordance with the provisions of Section 12.4 (and similar provisions of other Participation Agreements), or otherwise), amounts owing for expenses under Section 14 hereof (and similar provisions of other Participation Agreements), or otherwise) (the "**Additional Funding Obligations**") on a pro-rata basis, provided however, that the aggregate funding obligation of each Participant shall be limited to each Participant's Maximum Dollar Amount, plus a pro rata share of expenses payable by each Participant under the provisions of Section 14 hereof (and similar provisions of other Participation Agreements). The Maximum Dollar Amount of a Participant may not be increased without such Participant's express prior written approval. The respective Additional Funding Obligations of the parties shall be calculated for each Participant by multiplying its Committed Participation Percentage times the dollar amount of the Defaulting Participant's unpaid obligation.

For example, if the Originator receives an Advance Request in the amount of $100.00, a Participant's Committed Participation Percentage immediately prior to paying its Additional Funding Obligation equals 20% (and such Participant pays $20.00 in respect of its Participation Interest) and the Defaulting Participant's unpaid obligation equals $20.00 (also representing a 20% Committed Participation Percentage), then such Participant would be obligated to fund an Additional Funding Obligation in the amount of $4.00 (.20 x $20.00 = $4.00), subject however to such Participant's Maximum Dollar Amount.

If the parties are required hereunder to pay any Additional Funding Obligations then the respective ownership interests of all parties in the Loan will be subject to adjustment as follows. Notwithstanding the Committed Participation Percentages set forth on **Exhibit A** to this Agreement and any other Participation Agreements, each Participant's Actual Participation Percentage shall be equal to the percentage of the aggregate amounts funded by the applicable Participant and still outstanding and unpaid, to the amount of the Loan actually funded and still outstanding. The Originator's Ownership Percentage shall also be recalculated based on the percentage of the funding obligations of the Originator actually funded and outstanding, and not reimbursed by any Participant, to the amount of the Loan actually funded and still outstanding. The adjustments to each Participant's Actual Participation Percentage will result in an increased Actual Participation Percentage for all non-defaulting Participants and a decreased Actual Participation Percentage for the Defaulting Participant. Following an adjustment to the Actual Participation Percentages, the Originator shall promptly issue new Participation Certificates in the form of **Exhibit C** reflecting said adjustments and the aggregate funded and outstanding amounts for each Participant.

Notwithstanding the adjustment to Actual Participating Percentages and the issuance of new Participation Certificates as a result thereof, a Defaulting Participant shall nevertheless remain liable for funding Advances based on its Committed Participation Percentage as shown on **Exhibit A** attached to this Agreement and any other Participation Agreements, and the Originator shall retain all rights against the Defaulting Participant, and may exercise any and all remedies set forth in this Agreement or available under applicable law, with respect to the obligations of the Defaulting Participant.

If each Participant which is not a Defaulting Participant has funded amounts equal to its Maximum Dollar Amount plus its share of expenses payable under Section 14 hereof (and similar provisions of other Participation Agreements), and the Borrower is nevertheless entitled to additional Advances, such Advances shall be made by the Originator, and the Originator's Ownership Percentage shall be increased, and each Participant's Actual Participation Percentage shall be reduced, accordingly, as provided above.

6.3. Following a Participant Event of Default, in addition to all other remedies provided for in this Agreement and under applicable law, the Originator shall also have the option to purchase the Participation Interest of the Defaulting Participant (the "**Purchase Option**") for an amount equal to the product of (A) the outstanding principal sum of the Loan and (B) the Defaulting Participant's Committed Participation Percentage, minus (C) all amounts owing by the Defaulting Participant to the Originator under its Participation Agreement, including the Participant's portion of any due and unfunded Advance Request and any obligated reimbursement of the Defaulting Participant's Participation Fee (for a Participant Event of Default occurring within three (3) years after the date of this Agreement) (herein the "**Option Purchase Price**"). If the Originator elects to exercise the Purchase Option then it shall give written notice of such election to the Defaulting Participant. The Originator's notice shall also include the amount of the Option Purchase Price and the closing date for the Purchase Option. On the closing date, the Originator covenants and agrees that it shall pay the Option Purchase Price to the Defaulting Participant and the Defaulting Participant covenants and agrees that it shall deliver to the Originator all original Participation Certificates issued by the Originator to the Defaulting Participant. Notwithstanding the foregoing, the parties agree that the Originator's payment of the Option Purchase Price to the Defaulting Participant shall constitute and evidence the Originator's purchase of the Participation Interest of the Defaulting Participant. Following the Originator's exercise of the Purchase Option and purchase of the Participant's Participation Interest of the Defaulting Participant, the Originator shall have the right to sell all or any portion of said Participant's Participation Interest to any existing Participant or any new Participant without obtaining the Required Consent of the parties.

7. **LOAN DOCUMENTS**. The Originator has delivered to the Participant certified duplicate originals or photocopies of fully executed originals of each of the Loan Documents. From time to time promptly after receipt thereof, the Originator shall also deliver to the Participant copies of all documentation required under the Loan Documents to be supplied by or on behalf of the Borrower to the Originator in connection with the Loan, and the security therefor (collectively, the "Collateral Materials"). The Participant acknowledges and agrees that it has reviewed and approved the Loan Documents and Collateral Materials received as of the date of this Agreement.

8. **NO WARRANTIES**. Except as otherwise provided in this Section 8, the Originator does not make any express or implied warranty of any kind with respect to the Loan, and the Originator assumes no responsibility with respect to the legality, enforceability or collectibility of the Loan, the Loan Documents, or any security for the Loan. The Originator assumes no responsibility for the financial condition of Borrower or any Guarantor, for the security value of any collateral, the sufficiency thereof, or for the performance of any obligations of Borrower or Guarantors. The Participant agrees and warrants that it has had full and free opportunities to inspect the Loan Documents and the Collateral Materials related to the Loan and has not relied on any statement by the Originator in entering into this Agreement and purchasing its Participation Interest in the Loan. The Originator makes the following express, limited warranties to the Participant:

8.1. Interest payable under the Note for periods after the date of this Agreement has not been paid in advance of the dates on which the same is due under the Loan Documents;

8.2. To the knowledge of the Bank, no default nor any Default or Event of Default (as defined in the Loan Documents) exists under the Loan Documents, except (a) those which have been waived pursuant to the terms of the Waiver and Extension Agreement executed in connection with the Loan and dated as of July 31, 2002, and (b) non-material defaults related to failure to deliver post-closing items on or before the dates established in the Loan Documents;

8.3. Except for interests granted under this Agreement and other Participation Agreements, the Originator owns the Loan and all rights related to the Loan; and

8.4. The Originator has the right and authority to sell the Participation Interest specified herein to the Participant, and to grant to the Participant all of the rights and interests provided for herein with respect to the Loan.

9. **NO PARTNERSHIP OR EXTENSION OF CREDIT**. Neither the execution of this Agreement, nor the sharing in the Loan or in any security for the Loan, nor any agreement to share in profits or losses arising as a result of this transaction, is intended to be, nor shall it be construed to be, the formation of a partnership or joint venture between the parties hereto. This Agreement and the Participant's Participation Interest created hereunder shall not be construed to be an extension of credit by the Participant to the Originator.

10. **MANAGEMENT AND DUTY OF CARE**. It is the intention of the Participant that the Originator supervise the collection and management of the Loan. The Originator shall not be liable under this Agreement to the Participant for any action taken or omitted or for any error in judgment, except for the Originator's breach of this Agreement or its own gross negligence, bad faith or willful misconduct. The Participant acknowledges that the Originator's obligations with respect to the Loan shall be no greater than the customary practices currently employed by the Originator in administering and servicing other loans covering commercial properties similar to the Property.

11. **POSSESSION OF LOAN DOCUMENTS AND MAINTENANCE OF ACCOUNTS**. At all times during the term of this Agreement the Originator shall maintain and

keep proper books of account and records at its above office reflecting each Participant's Participation Interest, which books and records shall be available to the Participants or their representatives for inspection and copying at Participants' expense at all reasonable times during normal business hours. The original Loan Documents shall be held by Originator for the ratable benefit and protection of the Participants, subject to the terms and conditions of this Agreement and the other Participation Agreements

12. **COLLECTIONS AND PAYMENTS**.

12.1. The Originator shall be entitled to collect and receive from Borrower or others all payments of interest, Principal Payments and late charges and late fees, if any, or other moneys due and payable with respect to the Loan at the time and in the manner specified in the Note, Loan Agreement or any other Loan Document, and shall give proper receipts therefor to the extent required by applicable law or the terms and conditions of the Loan Documents. The Originator shall, within one (1) Business Day following receipt and collection of any such sums, pay directly to each Participant its proportionate share of such sums received, less the expenses, if any, described herein, in accordance with the terms of this Agreement. The Originator's obligation to remit is only as to funds actually and unconditionally received and cleared. All payments to be made by the Originator to the Participant shall be made by wire transfer of immediately available funds in accordance with the Participant's wiring instructions attached hereto as **Exhibit D**.

(i) Upon payment of interest and/ or late charges, late fees or expenses by or on behalf of Borrower under the Note, the Originator shall pay to each Participant its share of the interest then due and/or the late charges, late fees or expenses in accordance with, and subject to the terms and conditions of, Section 4 of this Agreement (and similar provisions of other Participation Agreements).

(ii) Upon payment of any and all Principal Payments, the Originator shall pay to each Participant its share of such amounts in accordance with, and subject to the terms and conditions of, Section 5 of this Agreement (and similar provisions of other Participation Agreements).

12.2. The Originator shall be deemed to hold in trust each Participant's share in any such payments, subject to the terms and conditions of the Participation Agreements. The Originator shall also have the right to accept payment of the Loan in accordance with its terms and to execute proper satisfactions therefor to the extent required by applicable law or the terms and conditions of the Loan Documents and, subject to obtaining Required Consent of the parties to sell, assign or transfer the Loan and to execute proper assignments thereof. Upon payment in full or sale of the Loan (but excluding the sale of any additional participation interests in the Loan), the Originator shall promptly account for and pay over to each Participant its share thereof, in accordance with, and subject to the terms and conditions of, the Participation Agreements. In addition to the rights set forth in Section 6.3, the Originator shall also have the right, without consent or approval of any Participant, to sell other or additional participation interests in the Loan on any of the following terms:

(i) the Originator may sell one or more participation interests in the Loan to any other bank, insurance company or other participant on the same terms as are provided in this Agreement by having such entity execute a Participation Agreement in substantially the form hereof; and/or

(ii) the Originator may sell one or more participation interests in the Loan on such terms as the Originator may deem appropriate, provided that the Originator retains sole right and authority at all times to act on behalf of any such additional participants with respect to the Loan and this Agreement (i.e., such participations shall be "blind" participations), all of which participations shall be aggregated under and counted toward the Originator's Ownership Percentage; provided, however, that such blind participations shall not be counted toward satisfying the Minimum Originator's Ownership Percentage, which must be held exclusively for the account of Originator (and/or its affiliate entities owned by Mercantile Bankshares Corporation).

Notwithstanding the foregoing provisions of this Section 12.2 or of any other provision of this Agreement, unless and until the Loan is paid in full or sold in accordance with the provisions of this Agreement, the Originator shall maintain and hold for its own account (excluding blind participations) an Originator's Ownership Percentage equal at all times to at least ten percent (10%) of the Loan (the "**Minimum Originator's Ownership Percentage**").

12.3. In accordance with, and subject to the terms and conditions of, the Loan Documents, the Originator may collect, sue for, settle on, compromise, and receive the net proceeds, after fees, expenses and costs of collection, of any condemnation awards and payments which may become and be payable under any and all policies of insurance for the benefit of the Originator, as mortgagee, in connection with the Loan. Such proceeds and payments shall be applied in accordance with the Loan Documents and, if the Originator is entitled to determine the application of such proceeds and payments in accordance with the Loan Documents, such determination shall be in the sole discretion of the Originator.

12.4. If the Originator is compelled to return or refund any payment or sum previously received from Borrower or any Guarantor, by reason of the same being declared a preferential transfer in a bankruptcy proceeding, or for any other reason, each Participant shall, on demand of the Originator, immediately reimburse the Originator an amount equal to the sum of any such amount returned or refunded multiplied by the respective Participant's Committed Participation Percentage.

13. **LOAN DEFAULTS AND EXERCISE OF ENFORCEMENT RIGHTS AND REMEDIES**. The Originator shall from time to time, when requested by a Participant, render information to such Participant as to the status of any matter relating to the Loan and shall, regardless of whether it is requested to do so, promptly notify each of the Participants of the existence and nature of any facts or events of which the Originator has actual knowledge which in the Originator's reasonable judgment (a) materially impair the security for the Loan, or (b) constitute an event of default under any of the Loan Documents. If any such impairment or event of default shall occur, the Originator, after advising each of the Participants of such course of action, shall (a) use reasonable efforts to cause Borrower or Guarantors to promptly cure each such event of default or impairment and (b) take such actions as the Originator deems prudent,

including the exercise of such other rights and remedies as may be exercised under the Loan Documents, including, without limitation, the institution of foreclosure or other legal proceedings. If the Originator forecloses or takes possession of any property encumbered by the Mortgage, the Originator shall notify the Participants of a program for the management and supervision of, and for the ultimate disposition of, such property, subject to Required Consent of the parties; if any Participant fails to respond to the Originator's proposal within seven (7) days from the Originator's notice to such Participant, then such Participant shall be deemed to have approved the Originator's proposal for the management and supervision of such property.

14. **EXPENSES**. From all payments due to the Participants under the Participation Agreements, the Originator may make proportionate deductions (based on each Participant's Committed Participation Percentage) for out-of-pocket expenses reasonably incurred by the Originator and actually paid by the Originator in connection with the collection and enforcement of the Loan and management of the Property, including reasonable fees of counsel and other agents who may be employed by the Originator, to the extent not otherwise reimbursed, up to an aggregate amount of $25,000 without the Required Consent of the parties. Expenses incurred or which are expected to be incurred in excess of $25,000 are subject to Required Consent of the parties; provided, however, that once Required Consent of the parties has been received for an expense or expenses, such approved expense and amounts shall no longer be counted against the $25,000 limitation set forth in this Section 14 (or similar provisions of other Participation Agreements). The Participant agrees, on request of the Originator, to reimburse the Originator for the Participant's proportionate share of any such expenses not so deducted calculated based on the Participant's Committed Participation Percentage. The Originator shall provide a statement and supporting documentation with any such request. Expense payments shall be reimbursed to the Participants in accordance with, and subject to the requirements set forth in, Section 12 hereof.

15. **ACQUISITION FOR INVESTMENT**. The Participant represents that it has acquired its Participation Interest for its own account for the purpose of investment and not with any present intention of selling its Participation Interest, but the Participant shall, nevertheless, have the right, subject to the provisions of Section 16 hereof, to sell or otherwise dispose of its Participation Interest (or any portion thereof) subject to the terms thereof (including obtaining Required Consent of the parties). In no event shall any subsequent holder of all or any portion of the Participant's Participation Interest have any greater rights with respect thereto than are granted to the Participant under this Agreement and such holder shall take the Participant's Participation Interest (or any portion thereof) subject to the terms and conditions of this Agreement, regardless of the terms of any agreement to the contrary between the Participant and such subsequent holder.

16. **ASSIGNMENTS**. Except as otherwise provided under this Agreement and the other Participation Agreements, neither the Originator nor any Participant shall sell, pledge, assign or otherwise transfer its rights or obligations under any of the Participation Agreements, the Loan or the Loan Documents without obtaining Required Consent of the parties (except that such consent shall not be required with respect to entities that have succeeded to the assets and liabilities generally of the parties hereto). No permitted transfer or assignment shall be effective unless and until an original or duplicate original written transfer or assignment has been filed with the Originator, and the transferee has executed such documentation as may be reasonably

required by the Originator to evidence the agreement of such transferee to be bound by the terms of its predecessor's Participation Agreement. When any permitted transfer or assignment becomes effective, the transferee or assignee shall, for all purposes of this Agreement, have all rights and interests of the assignor hereunder. The provisions of this Section shall not limit or impair the right of the Originator to sell other or additional participations in the Loan on the terms described in Sections 6.3 and 12.2 hereof.

17. **EXPRESS RESTRICTIONS.**

17.1. Without limiting the generality of any of the provisions of this Agreement, the Originator shall not, except as otherwise provided in Section 24 of this Agreement (and similar provisions of other Participation Agreements), without Required Consent of the parties, amend or waive any material provision of any of the Loan Documents, or consent with respect to any material departure by the Borrower or Guarantors therefrom. In addition, the Originator shall not, except as otherwise provided in Section 24 of this Agreement (and similar provisions of other Participation Agreements), without Unanimous Consent of the parties, do any of the following:

(a) increase, extend or reinstate after termination, the obligation of the Originator to make advances to the Borrower under the Loan Agreement;

(b) postpone or delay any date fixed by any Loan Document for any payment of principal, interest, fees or other amounts due to the Originator, or postpone or delay any date fixed by this Agreement for any payment of any amounts due to any of the Participants under the Participation Agreements, or decrease the time within which the Originator and the Participants may fund obligations under the Loan Documents and the Participation Agreements;

(c) reduce the principal of, or the index upon which interest is calculated on, the Loan, or any fees or other amounts payable hereunder or under any other Loan Documents;

(d) change any of the Actual Participation Percentages other than pursuant to the terms of the Section 6.3 hereof (and similar provisions of other Participation Agreements) or in connection with an assignment or sale of an additional participation under Section 16 or Section 12.2 hereof (and similar provisions of other Participation Agreements);

(e) release any Guarantors or any collateral for the Loan except as provided in the Loan Documents;

(f) release all or substantially all of Property subject to the Mortgage; or

(g) amend this Section 17.1 or any provision herein providing for Unanimous Consent or Required Consent.

No amendment, waiver or consent shall, unless in writing and signed by the Originator in addition to the Participants giving Unanimous Consent or Required Consent, as the case may be, affect the rights or duties of the Originator under any Participation Agreement or

any of the Loan Documents. Fees and charges owing exclusively to the Originator and not to any of the Participants under the Participation Agreements may be amended, increased or waived in the sole discretion of the Originator.

17.2. The Participants and the Originator, in good faith, shall agree or attempt to reach agreement on the taking of any action requiring Unanimous Consent or Required Consent pursuant to the terms of this Agreement within such reasonable period of time as the circumstances prescribe. If the Participants and the Originator are unable to agree upon the taking of any action requiring Unanimous Consent or Required Consent pursuant to the terms of this Agreement and/or the other Participation Agreements, within such reasonable period of time as the circumstances prescribe, then Originator shall be permitted to take only those actions it deems necessary pursuant to the Loan Documents or applicable law to preserve the rights of the Originator and the Participants against the Borrower, the Guarantors and the Collateral, without impairing the rights of the Participants under Section 17.1, until the Participants and the Originator are able to reach such agreement.

17.3. Whenever this Agreement requires Unanimous Consent or Required Consent, the same shall be deemed to have been given by a Participant on the day which is seven (7) Business Days after the Originator has given notice to such Participant of the Originator's request for such consent, unless within such seven (7) Business Day period such Participant shall provide written notice to the Originator of such Participant's refusal to consent, which notice shall include the reasons for such refusal.

18. **INSURANCE**. The Originator will ascertain that policies of insurance as are required by the Loan Documents, with premiums fully prepaid, are in full force and effect with respect to the Borrower, the Guarantors and any property encumbered by any of the Loan Documents, such insurance to protect the respective interests of the parties hereto and to the other Participation Agreements. Other than its agreement to monitor the obligations of Borrower and the Guarantors to maintain insurance coverages as provided in the Loan Documents, the Originator has no obligation to insure the Property.

19. **LEGAL PROCEEDINGS**. If the Originator shall commence any legal proceedings against Borrower, any or all of the Guarantors, the Property, or any other security for the repayment of the Loan, the Originator shall from time to time provide the Participants with copies of all documents in connection therewith and keep the Participants fully informed as to the progress thereof. The Participant shall be responsible for and agrees to pay, upon presentation of a statement and supporting documentation therefor, its pro-rata share, based on its Committed Participation Percentage, of reasonable attorney's fees, court costs and out-of-pocket expenses actually incurred by the Originator in connection with such proceedings and not otherwise reimbursed (as of the date of such statement) to the Originator by Borrower, any Guarantor or any other party, subject, however, to the restrictions contained in Section 14 hereof (and similar provisions of other Participation Agreements). All sums realized or collected pursuant to legal proceedings shall be deemed Payments as provided in Section 5 hereof (and similar provisions of other Participation Agreements) and shall be promptly distributed among the parties in accordance with Section 12 hereof (and similar provisions of other Participation Agreements). If the Originator takes possession of the Property, either through foreclosure proceedings or otherwise, the Originator and each Participant shall pay its pro-rata share of all

expenses relating to the Property in accordance with their respective interests in the Loan and shall share all income as hereinbefore provided.

20. **NOTICES**. Each notice, request, demand, consent, approval or other communication required hereunder shall be in writing and shall be deemed to have been given (i) if made by hand delivery or nationally recognized overnight delivery service (which shall be deemed delivered upon execution of a receipt for such delivery at the address designated for the receiving party), (ii) by certified mail, postage prepaid, return receipt requested (which shall be deemed delivered two (2) days after posting in the mails in this manner), or (iii) by telecopier (which shall be deemed delivered upon the sending party's receipt of a printed confirmation of receipt) addressed to the party for whom it is intended at the address set forth below:

If to Bank:
Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21201
Attn: Bruce D. McLean,
Senior Vice President
Telecopier No.: (410) 237-5703

With a copy to:
Ballard Spahr Andrews & Ingersoll, LLP
300 E. Lombard Street
19th Floor
Baltimore, Maryland, 21202
Attn: Christopher J. Fritz, Esquire
Telecopier No.: (410) 528-5650

If to Participant:
LaSalle Bank National Association
135 S. LaSalle Street
Chicago, IL 60603
Attn: Kristen Schmitt
Commercial Banking Officer
Telecopier No.: (312) 904-6457

With a copy to:
LaSalle Bank National Association
135 S. LaSalle Street, Suite 1425
Chicago, IL 60603
Attn: Margaret Henderson
Commercial Loan Services
Telecopier No.: (312) 904-6373

or to such other address with respect to any party as such party shall notify the other in writing. The Originator agrees to send to the Participant a copy of any written notice given or received by it pursuant to the terms of the Loan Documents.

21. **MANNER OF PAYMENTS**. Any and all payments to be made to or by the Originator and the Participant shall be made by wire transfer of immediately available funds in accordance with the wiring instructions attached hereto as Exhibit B and Exhibit C, as applicable

and shall be made no later than 1:00 p.m. (Baltimore time) on the date specified. Except as otherwise set forth in this Agreement, all payments to be made hereunder shall be made on the next Business Day immediately following either (i) the date giving rise to such payment obligation, or (ii) the date notice is deemed given pursuant to Section 20, of such payment obligation. Any funds received by the Originator after 1:00 p.m. (Baltimore time) shall be deemed to have been received on the following Business Day.

22. **MISCELLANEOUS**.

22.1. If any one or more of the provisions contained in this Agreement, or any documents or agreements delivered hereunder should be deemed invalid, illegal or unenforceable in any respect, the remainder of this Agreement and application of such provision to other parties or circumstances shall not be affected thereby, and shall be enforced to the maximum extent permitted by law.

22.2. Subject to the provisions of Section 15 hereof, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

22.3. This Agreement may not be altered or modified in any manner and none of its provisions may be waived except by agreement in writing executed by each party hereto.

22.4. This Agreement may be executed by the parties hereto individually, or any combination of the parties hereto in several separate counterparts, each of which shall be an original and all of which together shall constitute one and the same Agreement.

22.5. The headings of the various sections and paragraphs hereof are inserted for convenience of reference only and shall not affect the interpretation of this Agreement.

22.6. This Agreement shall not be construed for or against either of the parties based upon who drafted this Agreement.

22.7. This Agreement shall be construed, interpreted and enforced in accordance with the laws of Maryland as the same are in effect from time to time. Any action or proceeding arising hereunder shall be brought in the courts of Maryland; provided, however, that if any such action or proceeding arises under the Constitution, laws or treaties of the United States of America, or if there is a diversity of citizenship between the parties thereto, so that it is to be brought in a United States District Court, it shall be brought in the United States District Court for the District of Maryland sitting in Baltimore, Maryland. The Participant and the Originator hereby consent to the jurisdiction and venue of the courts of Maryland or the United States District Court for the District of Maryland.

22.8. **EACH PARTY HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH THE ORIGINATOR AND ANY PARTICIPANT MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO THE LOAN AND/OR THIS AGREEMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR**

PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY EACH PARTY HERETO, AND THE PARTIES HERETO HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT.

23. **RIGHT TO INSPECT PROPERTY AND CONSULT WITH BORROWER**.

Upon the reasonable request of any Participant, the Originator will, to the extent of the rights conferred on the Originator by the Loan Documents, make arrangements for such Participant to (a) inspect the Property (as defined in the Mortgage), and (b) consult with the Borrower regarding the Loan.

24. **CALL RIGHTS**. Notwithstanding any other provision of this Agreement to the contrary, including any provision premised upon Required Consent or Unanimous Consent, any Participant may, upon written notice to the Originator given at any time between February 1, 2005 and February 28, 2005, direct that the Originator exercise its rights to require mandatory prepayment of the Loan by the Borrower under the terms of Section 5 of the Note. The Originator shall not be liable for the Borrower's failure to honor any such demand for mandatory prepayment. Once such a demand has been made by the Originator, all issues relating to foreclosure or exercise of remedies shall be subject to the other provisions of this Agreement and the other Participation Agreements, including any provisions premised by their terms upon Required Consent or Unanimous Consent. The Originator shall be entitled, as an alternative to complying with such direction by a Participant, to repurchase such Participant's Participation Interest on the same terms as are provided in Section 6.3 hereof (and similar provisions of other Participation Agreements).

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties under seal as of the day and year first-above written.

WITNESS/ATTEST:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____ (SEAL)
D. Seward Woelper,
Assistant Secretary/Treasurer

LASALLE BANK NATIONAL ASSOCIATION

By: _____ (SEAL)
Kristen Schmitt,
Commercial Banking Officer

EXHIBIT A
Participation and Ownership Interests in Loan

Participant	Committed Participation Percentage	Maximum Dollar Amount
LaSalle Bank National Association	16.304347826%	$7,500,000.000

EXHIBIT B
Originator's Wiring Instructions

Mercantile/Baltimore - ABA #052-000-618

Wire Amount: $_____

Ref: Participation Interest for Novi/Fox Run –
Loan #574359609701 – Phone advise Ora Stokes @ (410) 237-5101
upon receipt.

EXHIBIT C
Form of Participation Certificate

PARTICIPATION CERTIFICATE - NO. _____

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (the "**Originator**") hereby certifies pursuant to Section 3 of that certain Participation Agreement dated _____ ____, 2003 (the "**Participation Agreement**"), between the Originator and _____ (the "**Participant**") that it has received from the Participant the sum of _____ representing the purchase price of the Participant's interest in an advance (or, if applicable, re-advance) of a loan in the aggregate original principal amount not to exceed $46,000,000 (the "**Loan**") by the Originator to Novi Campus, LLC (the "**Borrower**"), evidenced by a Promissory Note from the Borrower to the Originator (the "**Note**"). Advances (and, if applicable, re-advances) of the Loan to the Borrower are governed by the terms of a Construction Loan Agreement between the Borrower and the Originator dated February 12, 2002 (the "**Loan Agreement**"). The Note is guaranteed and secured pursuant to the "**Loan Documents**" defined and described in the Participation Agreement.

1. This Certificate evidences the amount of the Participation Interest purchased by the Participant and is issued pursuant to the terms and conditions of the Participation Agreement, pursuant to which the Participant purchased an undivided _____ percent (_____%) ownership interest in the Loan in accordance with, and for the amounts as stated in, the Participation Agreement.

2. The total amount of the Loan advanced (or, if applicable, re-advanced) as of this date by the Originator to the Borrower pursuant to the Loan Agreement is: _____.

3. As of this date, the Participant has purchased its Participation Interest in the Loan in the cumulative principal amount of _____.

This Certificate may be transferred, but only on the books of the Originator and only in accordance with the provisions of the Participation Agreement, upon surrender hereof duly endorsed. The registered owner of this Certificate shall be conclusively presumed to be the absolute owner hereof.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By:_____
Name:_____
Title:_____

DATED at Baltimore, Maryland
_____ ___, _____

EXHIBIT D
Participant's Wiring Instructions

LaSalle Bank, N.A.
Chicago, IL
ABA #071000505
Account Number: Commercial Loan Dept. #1378018-700
Attention: Maxine Peterson

SCHEDULE I
Defined Terms

Defined Terms	See Section
Actual Participation Percentage	2.1
Additional Funding Obligation	6.2
Advances	2.4
Advance Request	3.2
Agreement	Introduction
Borrower	R-1
Closing Date	R-1
Committed Participation Percentage	2.1
Defaulting Participant	6.1
Funding Date	3.2
Guarantor	R-2
Guaranty	R-2
Interest Rate	4.1
Loan	R-1
Loan Documents	R-3
Maximum Dollar Amount	5.1
Minimum Originator's Ownership Percentage	12.2
Mortgage	R-2
Note	R-2
Option Purchase Price	6.3
Originator	Introduction
Originator's Ownership Percentage	2.5
Participant	Introduction
Participant Event of Default	6.1
Participation Certificate	3.3
Participation Fee	5.1
Participation Interest	2.2
Prime Rate	4.1
Principle Payments	5.2
Purchase Option	6.3
Purchase Price	2.3

PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT (this "**Agreement**") is made as of the ___ of December, 2002, by and between MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation (the "**Originator**"), and CHESAPEAKE BANK OF MARYLAND, a Maryland banking corporation (the "**Participant**").

RECITALS

R-1. On or about February 12, 2002 (the "**Closing Date**") the Originator agreed to lend, on a revolving credit basis, to Novi Campus, LLC, a Maryland limited liability company (the "**Borrower**"), the principal sum of Forty-Six Million Dollars ($46,000,000) (the "**Loan**"), in accordance with a Construction Loan Agreement dated as of the Closing Date entered into between Borrower and the Originator (the Construction Loan Agreement, as the same may hereafter be amended, restated or extended, is hereinafter referred to as the "**Loan Agreement**").

R-2. The Loan is evidenced by a Revolving Loan Note dated as of the Closing Date made by Borrower to the order of the Originator (the Revolving Loan Note, as the same may hereafter be amended, restated, or extended, is hereinafter referred to as the "**Note**"). The Borrower's obligations under the Note are (i) guaranteed pursuant to the terms of a Guaranty Agreement dated as of the Closing Date (the Guaranty Agreement, as the same may hereafter be amended, restated, or extended, is hereinafter referred to as the "**Guaranty**") executed by Erickson Retirement Communities, LLC and Erickson Group, LLC, each a Maryland limited liability company (each of which entities is hereinafter referred to as a "**Guarantor**", and both of which entities are hereinafter collectively referred to as the "**Guarantors**"), and (ii) secured by (among other agreements) a Mortgage dated as of the Closing Date from the Borrower to the Originator, and recorded in the land records of Oakland County, Michigan (the Mortgage, as the same may hereafter be amended, restated, or extended, is hereinafter referred to as the "**Mortgage**").

R-3. The Loan Agreement, the Note, the Guaranty, the Mortgage, and all other documents executed by Borrower or Guarantors in connection with the Loan and all related documents, as the same may be amended, restated, supplemented or otherwise modified from time to time (subject to the terms and conditions of this Agreement) are hereinafter sometimes collectively referred to as the "**Loan Documents**" (such term being intended to have the same meaning as is ascribed to it in the Loan Agreement).

R-4. The Participant has agreed to purchase on a non-recourse basis, an undivided ownership interest in the Loan upon the terms and subject to the conditions set forth in this Agreement.

R-5. Pursuant to the terms of this Agreement, the Originator and the Participant desire to set forth their respective obligations, covenants and agreements relating to the Loan and the security therefor.

R-6. For the convenience of the parties, the Loan Documents have been delivered to and taken in the name of the Originator on behalf of both the Originator and Participant, and the

Originator shall be responsible for the general supervision and management of the Loan, in accordance with, and subject to, the terms hereof.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties, intending to be legally bound, agree as follows:

1. **DEFINED TERMS**. Unless otherwise specifically defined herein, all capitalized terms used in this Agreement shall have the same meanings and definitions ascribed to them in the Loan Agreement. A listing of terms defined in this Agreement is set forth on **Schedule I** attached hereto. In addition, the following terms used in this Agreement shall have the meanings set forth in this Section:

(a) "**Participants**" means collectively the Participant and all other parties which at any time own a participation interest in the Loan during the term of this Agreement

(b) "**Participation Agreements**" means, collectively, this Agreement and all other participation agreements in form and substance similar to this Agreement pursuant to which Participants acquire a Participation Interest in the Loan, excluding "blind participations" as described in Section 12.2 hereof.

(c) "**Required Consent**" means the prior written consent of the Originator and of Participants holding Actual Participation Percentages which, when aggregated with the Originator's Ownership Percentage exceed 50% of the total percentage interests in the Loan other than percentage interests of any Defaulting Participant (as hereinafter defined) (such total interests minus the interests of any Defaulting Participant being referred to herein as "**Non-Defaulting Percentage Interests**"); provided, however, that if the Originator's Ownership Percentage exceeds 50% of the Non-Defaulting Percentage Interests and there is at least one Participant which is not a Defaulting Participant, then "**Required Consent**" shall mean the prior, written consent of the Originator and at least one Participant which is not a Defaulting Participant; and provided further that if the Originator's Ownership Percentage exceeds 50% of the Non-Defaulting Percentage Interests, but there are no Participants which are not Defaulting Participants, then "Required Consent" shall mean the prior, written consent of the Originator only.

(d) "**Unanimous Consent**" means the prior written consent of the Originator and of each of the Participants which is not a Defaulting Participant.

2. **PURCHASE AND SALE OF PARTICIPATION.**

2.1. The Originator hereby sells, without recourse, representation or warranty, except as expressly set forth herein, to the Participant and the Participant hereby purchases from the Originator, commencing from the date hereof, an undivided ownership interest in the Loan in the percentage shown on **Exhibit A** attached hereto (each Participant's committed percentage interest in the Loan as shown on **Exhibit A** to each Participation Agreement is hereinafter referred to as its "**Committed Participation Percentage**", but as the same may be adjusted from time to time in accordance with the provisions of Section 6.2 of this Agreement and similar provisions of other Participation Agreements is hereinafter referred to as its "**Actual**

Participation Percentage"). The Participant hereby covenants and agrees that it is obligated to purchase its Committed Participation Percentage in all outstanding Advances made by the Originator under the Loan Agreement as of the date hereof, and that it is further obligated to fund its Committed Participation Percentage of any additional Advance to be made under the Loan Agreement, in an amount equal to its Committed Participation Percentage multiplied by the aggregate amount of such additional Advance. The Participant acknowledges that the Loan is a revolving credit facility and that Borrower has the right to repay any or all Advances made under the Loan Documents and, subject to the terms and conditions of the Loan Documents, to require the Originator to re-advance such repaid amounts.

2.2. There is no assurance that the full amount of the Loan shall be funded. For purposes of this Agreement, each Participant's ownership interest in the Loan shall be equal to its Actual Participation Percentage at any time multiplied by that amount of the Loan actually funded and outstanding at such time (each Participant's ownership interest in the Loan is herein its "**Participation Interest**").

2.3. The purchase price (the "**Purchase Price**") for each Participant's Participation Interest shall be equal to the product of (i) the total outstanding principal of the Loan together with all accrued interest and costs due and owing by Borrower under the Loan Agreement, calculated as of the date of funding, and (ii) the applicable Committed Participation Percentage. The Participant shall pay its Purchase Price to the Originator by wire transfer of immediately available funds in accordance with the Originator's wiring instruction attached hereto as **Exhibit B** on or before January 31, 2003.

2.4. As used in this Agreement, "**Advances**" means and includes the principal amount of each advance (or, if applicable, re-advance) of the Loan that is made by the Originator under the Loan Agreement. Advances include all amounts funded by the Originator as the result of a draw against a letter of credit issued by the Originator pursuant to the Loan Documents. The occurrence of an Event of Default under the Loan Documents shall not relieve the Participant of its obligations to advance to the Originator or reimburse the Originator for the Participant's Committed Participation Percentage of any draw under any letter of credit, which obligation shall be absolute and unconditional at all times during the term of this Agreement.

2.5. The "**Originator's Ownership Percentage**" shall be that percentage of the Loan determined by subtracting the aggregate Actual Participation Percentage of each of the Participants from one hundred percent (100%). The Originator shall be entitled to sell other or additional participation interests in and to the Loan on the terms provided in Sections 6.3 and 12.2 of this Agreement (subject, however, to the Minimum Originator's Ownership Percentage as specified therein).

2.6. Following a Participant Event of Default, the Participant's Actual Participation Percentage may be adjusted in accordance with the terms of Section 6.2 hereof.

3. **PARTICIPATION PROCEDURE**.

3.1. Upon Originator's receipt of the applicable Purchase Price from a Participant, such Participant's funding obligations with respect to the Loan for all Advances made by Originator prior to the date of funding, shall be deemed satisfied.

3.2. Originator shall receive and evaluate any subsequent requests from Borrower for Advances to be made under the Loan Agreement (each such request is herein an "**Advance Request**"). If Originator determines that Borrower's Request Advance is in sufficient detail and properly documented in accordance with the terms of the Loan Documents, including all required inspection reports, project status reports and completion budgets, and that Borrower is entitled to receive the requested Advance under the Loan Agreement, then Originator shall promptly provide the Participant with written notice of the Advance Request. Originator's notice to each Participant shall include (i) a summary of the Advance Request (showing percentage of completion for each phase), (ii) a copy of any approval issued by the Construction Inspector (as defined in the Loan Agreement) in connection with such Advance Request, (iii) the total amount of the Advance Request; (iv) the amount of such Participant's funding obligation relating to such Advance Request as calculated based on such Participant's Committed Participation Percentages; and (v) the due date for such Participant to fund its portion of the Advance Request (the "**Funding Date**"). The Participant shall be obligated to remit to Originator its portion of the Advance on or before its applicable Funding Date, but not sooner than one (1) Business Day following its receipt of the Originator's notice (including all items specified above). All payments to be made to Originator shall be made by wire transfer of immediately available funds in accordance with Originator's wiring instructions attached hereto as **Exhibit B**.

3.3. Each Participant's Participation Interest shall be evidenced by a "Participation Certificate" in the form of Exhibit C attached hereto and made a part hereof by this reference. The Originator shall issue a Participation Certificate to a Participant upon its receipt of the applicable Purchase Price from such Participant. If the Originator fails to deliver a Participation Certificate to any Participant as and when required under the Participation Agreements, the Originator's receipt of a Participant's payment of its Purchase Price shall evidence such Participant's Participation Interest and shall confer on such Participant an interest in all rights and benefits under the Loan and the Loan Documents, subject to the terms and conditions of such Participant's Participation Agreement.

4. INTEREST ON PARTICIPATION.

4.1. From and after the date of the Originator's receipt of a Participant's applicable Purchase Price, such Participant shall be entitled to receive with respect to its Participation Interest, interest calculated at the interest rate applicable under the Note (the "**Interest Rate**"), which is the Prime Rate (as defined below) plus one-quarter percent (¼%) per annum. As used herein the term "**Prime Rate**" refers to that interest rate set by the Originator from time to time as an interest rate base for borrowings. The Prime Rate is one of several interest rate bases used by the Originator. The Originator lends at rates above and below the Prime Rate.

4.2. Interest on a Participant's Participation Interest shall be calculated on the basis of a 360-day year factor applied to actual days elapsed, and, shall be adjusted on any date on which a change in the Originator's Prime Rate is effective.

4.3. If an Event of Default exists under the Loan Documents and Originator receives payment of interest under the Note at the Default Interest Rate (as defined in the Note) or if the Originator receives the payment of any late charge or late fee under the Loan Documents, then each Participant holding a Participation Interest shall be entitled to a portion of such default interest payment, late charge or late fee calculated based on such Participant's Actual Participation Percentage.

4.4. Notwithstanding any provision of this Agreement to the contrary, the Originator's obligation to remit payments of interest, late charges or late fees to the Participants under this Section 4 or any similar provision of the other Participation Agreements shall be expressly conditioned and contingent upon the Originator's receipt of such funds from or on behalf of the Borrower. Further, if and to the extent the Loan Documents provide that the Originator may elect how and in what order funds received from or on behalf of Borrower are to be applied to Borrower's obligations under the Loan Documents, the Originator's election shall be conclusive as to such application and the provisions of this Section 4 and similar provisions of other Participation Agreements shall apply only as to funds actually received from or on behalf of Borrower which are determined by the Originator to be applied to the payment of interest and/or late charges or late fees payable under the Loan Documents.

4.5. All payments to be made under the terms of this Section 4 shall be made by the Originator within the time periods described in Section 12 hereof.

5. **PAYMENTS OF PRINCIPAL.**

5.1. Other than the payment of interest, late charges and late fees as provided in Section 4 above (and similar provisions of other Participation Agreements), the repayment of the principal portion of the Participant's Participation Interest as provided in this Section 5 (and similar provisions of other Participation Agreements), and a one-half percent (½%) participation fee (a "**Participation Fee**") based on the Participant's "**Maximum Dollar Amount**" (such term meaning, with respect to each of the Participants, the maximum principal amount of the Loan times such Participant's Committed Percentage Amount), which shall be earned and payable to the Participant (subject only to the forfeiture and reimbursement provisions of Section 6.1 (and similar provisions of other Participation Agreements)) on the date of the Participant's payment of the applicable Purchase Price for its Participation Interest, the Participant shall not be entitled to receive any portion of the payment of any loan fees, additional fees, premiums or other payments that may be payable by Borrower in connection with the Loan. Notwithstanding the foregoing, if any Participant does not fund its applicable Purchase Price on or prior to October 1, 2002 the Participation Fee payable to such Participant (if any) shall be determined by the Originator in its sole discretion. No Participation Fee shall be paid by the Originator to a Participant which succeeds to the rights of the Participant under this Agreement as a result of an approved assignment under Section 16 hereof.

5.2. The Participant and the Originator agree that during the continuance of this Agreement, all payments of principal received by the Originator from or on behalf of the Borrower (hereinafter the "**Principal Payments**"), shall be applied as set forth in Section 12 hereof. Principal Payments may be derived from all or any portion of the following amounts received by the Originator in connection with the Loan:

(i) Principal repayments or prepayments (subject to the Participant's agreement to re-advance its share thereof if Borrower is entitled to the re-advance thereof pursuant to the Loan Documents).

(ii) Proceeds from the sale of the Loan (excluding amounts received by the Originator in respect of the sale of additional or other Participation Interests or other participations in the Loan).

(iii) Proceeds realized from the Property or any other property held as security for the Loan.

(iv) Payments received under the Guaranty, subject to the provisions of Section 5.3 below.

(v) Amounts received pursuant to Section 12 hereof (and similar provisions of other Participation Agreements).

5.3. Notwithstanding the foregoing or any other contrary provision of this Agreement, the Participant acknowledges that the Originator holds guarantees from the Guarantors for loans and obligations other than the Loan and the obligations arising under the Loan Documents, and agrees that payments received from the Guarantors shall be applicable to the Loan and/or the Loan Documents only to the extent such sums are either agreed by the Originator in writing on or after the date of receipt to be applicable to the Loan and/or the Loan Documents or are actually applied by the Originator to obligations owing in connection with the Loan in accordance with the Loan Documents.

5.4. Notwithstanding any provision of this Agreement to the contrary, if and to the extent the Loan Documents provide that the Originator may elect how and in what order funds received from or on behalf of Borrower are to be applied to obligations under the Loan Documents, the Originator's election shall be conclusive as to such application and the provisions of this Section 5 shall apply only as to funds received from or on behalf of Borrower which are determined by the Originator to be applied to the payment of principal under the Loan Documents.

5.5. All payments to be made under the terms of this Section 5 shall be made by the Originator within the time periods described in Section 12 hereof.

6. **PARTICIPANT DEFAULT**.

6.1. The failure of any of the Participants to pay when due any of its payment obligations to Originator in the manner and within the time frames set forth herein or in the other Participation Agreements shall constitute a default as it relates to said Participant (hereinafter, the "**Defaulting Participant**"). If the Defaulting Participant fails to cure such default within five (5) Business Days following Originator's delivery of notice of default (given in accordance with the provisions of Section 20 hereof), then said default shall constitute a "**Participant Event of Default.**" If a Participant Event of Default occurs within three (3) years from the date of its applicable Participation Agreement, the Defaulting Participant shall forfeit its Participation Fee in its entirety, and shall immediately upon demand of the Originator reimburse the Originator the

amount of such Participation Fee. Following a Participant Event of Default, the Originator shall be entitle to pursue any and all remedies available at law or in equity against the Defaulting Participant. The failure of any or all of the other Participants to pay when due any of its or their payment obligations shall not relieve the Participant of its obligations hereunder.

6.2. The Originator shall give written notice to the Participant of any Participant Event of Default relating to any or all of the other Participants. In the event of a Participant Event of Default and provided that the Originator does not elect to exercise the Purchase Option set forth in Section 6.3 below, the remaining Participants (other than the Defaulting Participant) and Originator shall be obligated to fund any unpaid obligation of the Defaulting Participant (including all amounts owing hereunder, whether in respect of Advances, amounts returned or refunded in accordance with the provisions of Section 12.4 (and similar provisions of other Participation Agreements), or otherwise), amounts owing for expenses under Section 14 hereof (and similar provisions of other Participation Agreements), or otherwise) (the **"Additional Funding Obligations"**) on a pro-rata basis, provided however, that the aggregate funding obligation of each Participant shall be limited to each Participant's Maximum Dollar Amount, plus a pro rata share of expenses payable by each Participant under the provisions of Section 14 hereof (and similar provisions of other Participation Agreements). The Maximum Dollar Amount of a Participant may not be increased without such Participant's express prior written approval. The respective Additional Funding Obligations of the parties shall be calculated for each Participant by multiplying its Committed Participation Percentage times the dollar amount of the Defaulting Participant's unpaid obligation.

For example, if the Originator receives an Advance Request in the amount of $100.00, a Participant's Committed Participation Percentage immediately prior to paying its Additional Funding Obligation equals 20% (and such Participant pays $20.00 in respect of its Participation Interest) and the Defaulting Participant's unpaid obligation equals $20.00 (also representing a 20% Committed Participation Percentage), then such Participant would be obligated to fund an Additional Funding Obligation in the amount of $4.00 (.20 x $20.00 = $4.00), subject however to such Participant's Maximum Dollar Amount.

If the parties are required hereunder to pay any Additional Funding Obligations then the respective ownership interests of all parties in the Loan will be subject to adjustment as follows. Notwithstanding the Committed Participation Percentages set forth on **Exhibit A** to this Agreement and any other Participation Agreements, each Participant's Actual Participation Percentage shall be equal to the percentage of the aggregate amounts funded by the applicable Participant and still outstanding and unpaid, to the amount of the Loan actually funded and still outstanding. The Originator's Ownership Percentage shall also be recalculated based on the percentage of the funding obligations of the Originator actually funded and outstanding, and not reimbursed by any Participant, to the amount of the Loan actually funded and still outstanding. The adjustments to each Participant's Actual Participation Percentage will result in an increased Actual Participation Percentage for all non-defaulting Participants and a decreased Actual Participation Percentage for the Defaulting Participant. Following an adjustment to the Actual Participation Percentages, the Originator shall promptly issue new Participation Certificates in the form of **Exhibit C** reflecting said adjustments and the aggregate funded and outstanding amounts for each Participant.

Notwithstanding the adjustment to Actual Participating Percentages and the issuance of new Participation Certificates as a result thereof, a Defaulting Participant shall nevertheless remain liable for funding Advances based on its Committed Participation Percentage as shown on **Exhibit A** attached to this Agreement and any other Participation Agreements, and the Originator shall retain all rights against the Defaulting Participant, and may exercise any and all remedies set forth in this Agreement or available under applicable law, with respect to the obligations of the Defaulting Participant.

If each Participant which is not a Defaulting Participant has funded amounts equal to its Maximum Dollar Amount plus its share of expenses payable under Section 14 hereof (and similar provisions of other Participation Agreements), and the Borrower is nevertheless entitled to additional Advances, such Advances shall be made by the Originator, and the Originator's Ownership Percentage shall be increased, and each Participant's Actual Participation Percentage shall be reduced, accordingly, as provided above.

6.3. Following a Participant Event of Default, in addition to all other remedies provided for in this Agreement and under applicable law, the Originator shall also have the option to purchase the Participation Interest of the Defaulting Participant (the "**Purchase Option**") for an amount equal to the product of (A) the outstanding principal sum of the Loan and (B) the Defaulting Participant's Committed Participation Percentage, minus (C) all amounts owing by the Defaulting Participant to the Originator under its Participation Agreement, including the Participant's portion of any due and unfunded Advance Request and any obligated reimbursement of the Defaulting Participant's Participation Fee (for a Participant Event of Default occurring within three (3) years after the date of this Agreement) (herein the "**Option Purchase Price**"). If the Originator elects to exercise the Purchase Option then it shall give written notice of such election to the Defaulting Participant. The Originator's notice shall also include the amount of the Option Purchase Price and the closing date for the Purchase Option. On the closing date, the Originator covenants and agrees that it shall pay the Option Purchase Price to the Defaulting Participant and the Defaulting Participant covenants and agrees that it shall deliver to the Originator all original Participation Certificates issued by the Originator to the Defaulting Participant. Notwithstanding the foregoing, the parties agree that the Originator's payment of the Option Purchase Price to the Defaulting Participant shall constitute and evidence the Originator's purchase of the Participation Interest of the Defaulting Participant. Following the Originator's exercise of the Purchase Option and purchase of the Participant's Participation Interest of the Defaulting Participant, the Originator shall have the right to sell all or any portion of said Participant's Participation Interest to any existing Participant or any new Participant without obtaining the Required Consent of the parties.

7. **LOAN DOCUMENTS**. The Originator has delivered to the Participant certified duplicate originals or photocopies of fully executed originals of each of the Loan Documents. From time to time promptly after receipt thereof, the Originator shall also deliver to the Participant copies of all documentation required under the Loan Documents to be supplied by or on behalf of the Borrower to the Originator in connection with the Loan, and the security therefor (collectively, the "Collateral Materials"). The Participant acknowledges and agrees that it has reviewed and approved the Loan Documents and Collateral Materials received as of the date of this Agreement.

8. **NO WARRANTIES**. Except as otherwise provided in this Section 8, the Originator does not make any express or implied warranty of any kind with respect to the Loan, and the Originator assumes no responsibility with respect to the legality, enforceability or collectibility of the Loan, the Loan Documents, or any security for the Loan. The Originator assumes no responsibility for the financial condition of Borrower or any Guarantor, for the security value of any collateral, the sufficiency thereof, or for the performance of any obligations of Borrower or Guarantors. The Participant agrees and warrants that it has had full and free opportunities to inspect the Loan Documents and the Collateral Materials related to the Loan and has not relied on any statement by the Originator in entering into this Agreement and purchasing its Participation Interest in the Loan. The Originator makes the following express, limited warranties to the Participant:

8.1. Interest payable under the Note for periods after the date of this Agreement has not been paid in advance of the dates on which the same is due under the Loan Documents;

8.2. To the knowledge of the Bank, no default nor any Default or Event of Default (as defined in the Loan Documents) exists under the Loan Documents, except (a) those which have been waived pursuant to the terms of the Waiver and Extension Agreement executed in connection with the Loan and dated as of July 31, 2002, and (b) non-material defaults related to failure to deliver post-closing items on or before the dates established in the Loan Documents;

8.3. Except for interests granted under this Agreement and other Participation Agreements, the Originator owns the Loan and all rights related to the Loan; and

8.4. The Originator has the right and authority to sell the Participation Interest specified herein to the Participant, and to grant to the Participant all of the rights and interests provided for herein with respect to the Loan.

9. **NO PARTNERSHIP OR EXTENSION OF CREDIT**. Neither the execution of this Agreement, nor the sharing in the Loan or in any security for the Loan, nor any agreement to share in profits or losses arising as a result of this transaction, is intended to be, nor shall it be construed to be, the formation of a partnership or joint venture between the parties hereto. This Agreement and the Participant's Participation Interest created hereunder shall not be construed to be an extension of credit by the Participant to the Originator.

10. **MANAGEMENT AND DUTY OF CARE**. It is the intention of the Participant that the Originator supervise the collection and management of the Loan. The Originator shall not be liable under this Agreement to the Participant for any action taken or omitted or for any error in judgment, except for the Originator's breach of this Agreement or its own gross negligence, bad faith or willful misconduct. The Participant acknowledges that the Originator's obligations with respect to the Loan shall be no greater than the customary practices currently employed by the Originator in administering and servicing other loans covering commercial properties similar to the Property.

11. **POSSESSION OF LOAN DOCUMENTS AND MAINTENANCE OF ACCOUNTS**. At all times during the term of this Agreement the Originator shall maintain and

keep proper books of account and records at its above office reflecting each Participant's Participation Interest, which books and records shall be available to the Participants or their representatives for inspection and copying at Participants' expense at all reasonable times during normal business hours. The original Loan Documents shall be held by Originator for the ratable benefit and protection of the Participants, subject to the terms and conditions of this Agreement and the other Participation Agreements

12. **COLLECTIONS AND PAYMENTS.**

12.1. The Originator shall be entitled to collect and receive from Borrower or others all payments of interest, Principal Payments and late charges and late fees, if any, or other moneys due and payable with respect to the Loan at the time and in the manner specified in the Note, Loan Agreement or any other Loan Document, and shall give proper receipts therefor to the extent required by applicable law or the terms and conditions of the Loan Documents. The Originator shall, within one (1) Business Day following receipt and collection of any such sums, pay directly to each Participant its proportionate share of such sums received, less the expenses, if any, described herein, in accordance with the terms of this Agreement. The Originator's obligation to remit is only as to funds actually and unconditionally received and cleared. All payments to be made by the Originator to the Participant shall be made by wire transfer of immediately available funds in accordance with the Participant's wiring instructions attached hereto as **Exhibit D.**

(i) Upon payment of interest and/ or late charges, late fees or expenses by or on behalf of Borrower under the Note, the Originator shall pay to each Participant its share of the interest then due and/or the late charges, late fees or expenses in accordance with, and subject to the terms and conditions of, Section 4 of this Agreement (and similar provisions of other Participation Agreements).

(ii) Upon payment of any and all Principal Payments, the Originator shall pay to each Participant its share of such amounts in accordance with, and subject to the terms and conditions of, Section 5 of this Agreement (and similar provisions of other Participation Agreements).

12.2. The Originator shall be deemed to hold in trust each Participant's share in any such payments, subject to the terms and conditions of the Participation Agreements. The Originator shall also have the right to accept payment of the Loan in accordance with its terms and to execute proper satisfactions therefor to the extent required by applicable law or the terms and conditions of the Loan Documents and, subject to obtaining Required Consent of the parties to sell, assign or transfer the Loan and to execute proper assignments thereof. Upon payment in full or sale of the Loan (but excluding the sale of any additional participation interests in the Loan), the Originator shall promptly account for and pay over to each Participant its share thereof, in accordance with, and subject to the terms and conditions of, the Participation Agreements. In addition to the rights set forth in Section 6.3, the Originator shall also have the right, without consent or approval of any Participant, to sell other or additional participation interests in the Loan on any of the following terms:

(i) the Originator may sell one or more participation interests in the Loan to any other bank, insurance company or other participant on the same terms as are provided in this Agreement by having such entity execute a Participation Agreement in substantially the form hereof; and/or

(ii) the Originator may sell one or more participation interests in the Loan on such terms as the Originator may deem appropriate, provided that the Originator retains sole right and authority at all times to act on behalf of any such additional participants with respect to the Loan and this Agreement (i.e., such participations shall be "blind" participations), all of which participations shall be aggregated under and counted toward the Originator's Ownership Percentage; provided, however, that such blind participations shall not be counted toward satisfying the Minimum Originator's Ownership Percentage, which must be held exclusively for the account of Originator (and/or its affiliate entities owned by Mercantile Bankshares Corporation).

Notwithstanding the foregoing provisions of this Section 12.2 or of any other provision of this Agreement, unless and until the Loan is paid in full or sold in accordance with the provisions of this Agreement, the Originator shall maintain and hold for its own account (excluding blind participations) an Originator's Ownership Percentage equal at all times to at least ten percent (10%) of the Loan (the "**Minimum Originator's Ownership Percentage**").

12.3. In accordance with, and subject to the terms and conditions of, the Loan Documents, the Originator may collect, sue for, settle on, compromise, and receive the net proceeds, after fees, expenses and costs of collection, of any condemnation awards and payments which may become and be payable under any and all policies of insurance for the benefit of the Originator, as mortgagee, in connection with the Loan. Such proceeds and payments shall be applied in accordance with the Loan Documents and, if the Originator is entitled to determine the application of such proceeds and payments in accordance with the Loan Documents, such determination shall be in the sole discretion of the Originator.

12.4. If the Originator is compelled to return or refund any payment or sum previously received from Borrower or any Guarantor, by reason of the same being declared a preferential transfer in a bankruptcy proceeding, or for any other reason, each Participant shall, on demand of the Originator, immediately reimburse the Originator an amount equal to the sum of any such amount returned or refunded multiplied by the respective Participant's Committed Participation Percentage.

13. **LOAN DEFAULTS AND EXERCISE OF ENFORCEMENT RIGHTS AND REMEDIES.** The Originator shall from time to time, when requested by a Participant, render information to such Participant as to the status of any matter relating to the Loan and shall, regardless of whether it is requested to do so, promptly notify each of the Participants of the existence and nature of any facts or events of which the Originator has actual knowledge which in the Originator's reasonable judgment (a) materially impair the security for the Loan, or (b) constitute an event of default under any of the Loan Documents. If any such impairment or event of default shall occur, the Originator, after advising each of the Participants of such course of action, shall (a) use reasonable efforts to cause Borrower or Guarantors to promptly cure each such event of default or impairment and (b) take such actions as the Originator deems prudent,

including the exercise of such other rights and remedies as may be exercised under the Loan Documents, including, without limitation, the institution of foreclosure or other legal proceedings. If the Originator forecloses or takes possession of any property encumbered by the Mortgage, the Originator shall notify the Participants of a program for the management and supervision of, and for the ultimate disposition of, such property, subject to Required Consent of the parties; if any Participant fails to respond to the Originator's proposal within seven (7) days from the Originator's notice to such Participant, then such Participant shall be deemed to have approved the Originator's proposal for the management and supervision of such property.

14. **EXPENSES**. From all payments due to the Participants under the Participation Agreements, the Originator may make proportionate deductions (based on each Participant's Committed Participation Percentage) for out-of-pocket expenses reasonably incurred by the Originator and actually paid by the Originator in connection with the collection and enforcement of the Loan and management of the Property, including reasonable fees of counsel and other agents who may be employed by the Originator, to the extent not otherwise reimbursed, up to an aggregate amount of $25,000 without the Required Consent of the parties. Expenses incurred or which are expected to be incurred in excess of $25,000 are subject to Required Consent of the parties; provided, however, that once Required Consent of the parties has been received for an expense or expenses, such approved expense and amounts shall no longer be counted against the $25,000 limitation set forth in this Section 14 (or similar provisions of other Participation Agreements). The Participant agrees, on request of the Originator, to reimburse the Originator for the Participant's proportionate share of any such expenses not so deducted calculated based on the Participant's Committed Participation Percentage. The Originator shall provide a statement and supporting documentation with any such request. Expense payments shall be reimbursed to the Participants in accordance with, and subject to the requirements set forth in, Section 12 hereof.

15. **ACQUISITION FOR INVESTMENT**. The Participant represents that it has acquired its Participation Interest for its own account for the purpose of investment and not with any present intention of selling its Participation Interest, but the Participant shall, nevertheless, have the right, subject to the provisions of Section 16 hereof, to sell or otherwise dispose of its Participation Interest (or any portion thereof) subject to the terms thereof (including obtaining Required Consent of the parties). In no event shall any subsequent holder of all or any portion of the Participant's Participation Interest have any greater rights with respect thereto than are granted to the Participant under this Agreement and such holder shall take the Participant's Participation Interest (or any portion thereof) subject to the terms and conditions of this Agreement, regardless of the terms of any agreement to the contrary between the Participant and such subsequent holder.

16. **ASSIGNMENTS**. Except as otherwise provided under this Agreement and the other Participation Agreements, neither the Originator nor any Participant shall sell, pledge, assign or otherwise transfer its rights or obligations under any of the Participation Agreements, the Loan or the Loan Documents without obtaining Required Consent of the parties (except that such consent shall not be required with respect to entities that have succeeded to the assets and liabilities generally of the parties hereto). No permitted transfer or assignment shall be effective unless and until an original or duplicate original written transfer or assignment has been filed with the Originator, and the transferee has executed such documentation as may be reasonably

required by the Originator to evidence the agreement of such transferee to be bound by the terms of its predecessor's Participation Agreement. When any permitted transfer or assignment becomes effective, the transferee or assignee shall, for all purposes of this Agreement, have all rights and interests of the assignor hereunder. The provisions of this Section shall not limit or impair the right of the Originator to sell other or additional participations in the Loan on the terms described in Sections 6.3 and 12.2 hereof.

17. **EXPRESS RESTRICTIONS.**

17.1. Without limiting the generality of any of the provisions of this Agreement, the Originator shall not, except as otherwise provided in Section 24 of this Agreement (and similar provisions of other Participation Agreements), without Required Consent of the parties, amend or waive any material provision of any of the Loan Documents, or consent with respect to any material departure by the Borrower or Guarantors therefrom. In addition, the Originator shall not, except as otherwise provided in Section 24 of this Agreement (and similar provisions of other Participation Agreements), without Unanimous Consent of the parties, do any of the following:

(a) increase, extend or reinstate after termination, the obligation of the Originator to make advances to the Borrower under the Loan Agreement;

(b) postpone or delay any date fixed by any Loan Document for any payment of principal, interest, fees or other amounts due to the Originator, or postpone or delay any date fixed by this Agreement for any payment of any amounts due to any of the Participants under the Participation Agreements, or decrease the time within which the Originator and the Participants may fund obligations under the Loan Documents and the Participation Agreements;

(c) reduce the principal of, or the index upon which interest is calculated on, the Loan, or any fees or other amounts payable hereunder or under any other Loan Documents;

(d) change any of the Actual Participation Percentages other than pursuant to the terms of the Section 6.3 hereof (and similar provisions of other Participation Agreements) or in connection with an assignment or sale of an additional participation under Section 16 or Section 12.2 hereof (and similar provisions of other Participation Agreements);

(e) release any Guarantors or any collateral for the Loan except as provided in the Loan Documents;

(f) release all or substantially all of Property subject to the Mortgage; or

(g) amend this Section 17.1 or any provision herein providing for Unanimous Consent or Required Consent.

No amendment, waiver or consent shall, unless in writing and signed by the Originator in addition to the Participants giving Unanimous Consent or Required Consent, as the case may be, affect the rights or duties of the Originator under any Participation Agreement or

any of the Loan Documents. Fees and charges owing exclusively to the Originator and not to any of the Participants under the Participation Agreements may be amended, increased or waived in the sole discretion of the Originator.

17.2. The Participants and the Originator, in good faith, shall agree or attempt to reach agreement on the taking of any action requiring Unanimous Consent or Required Consent pursuant to the terms of this Agreement within such reasonable period of time as the circumstances prescribe. If the Participants and the Originator are unable to agree upon the taking of any action requiring Unanimous Consent or Required Consent pursuant to the terms of this Agreement and/or the other Participation Agreements, within such reasonable period of time as the circumstances prescribe, then Originator shall be permitted to take only those actions it deems necessary pursuant to the Loan Documents or applicable law to preserve the rights of the Originator and the Participants against the Borrower, the Guarantors and the Collateral, without impairing the rights of the Participants under Section 17.1, until the Participants and the Originator are able to reach such agreement.

17.3. Whenever this Agreement requires Unanimous Consent or Required Consent, the same shall be deemed to have been given by a Participant on the day which is seven (7) Business Days after the Originator has given notice to such Participant of the Originator's request for such consent, unless within such seven (7) Business Day period such Participant shall provide written notice to the Originator of such Participant's refusal to consent, which notice shall include the reasons for such refusal.

18. **INSURANCE.** The Originator will ascertain that policies of insurance as are required by the Loan Documents, with premiums fully prepaid, are in full force and effect with respect to the Borrower, the Guarantors and any property encumbered by any of the Loan Documents, such insurance to protect the respective interests of the parties hereto and to the other Participation Agreements. Other than its agreement to monitor the obligations of Borrower and the Guarantors to maintain insurance coverages as provided in the Loan Documents, the Originator has no obligation to insure the Property.

19. **LEGAL PROCEEDINGS.** If the Originator shall commence any legal proceedings against Borrower, any or all of the Guarantors, the Property, or any other security for the repayment of the Loan, the Originator shall from time to time provide the Participants with copies of all documents in connection therewith and keep the Participants fully informed as to the progress thereof. The Participant shall be responsible for and agrees to pay, upon presentation of a statement and supporting documentation therefor, its pro-rata share, based on its Committed Participation Percentage, of reasonable attorney's fees, court costs and out-of-pocket expenses actually incurred by the Originator in connection with such proceedings and not otherwise reimbursed (as of the date of such statement) to the Originator by Borrower, any Guarantor or any other party, subject, however, to the restrictions contained in Section 14 hereof (and similar provisions of other Participation Agreements). All sums realized or collected pursuant to legal proceedings shall be deemed Payments as provided in Section 5 hereof (and similar provisions of other Participation Agreements) and shall be promptly distributed among the parties in accordance with Section 12 hereof (and similar provisions of other Participation Agreements). If the Originator takes possession of the Property, either through foreclosure proceedings or otherwise, the Originator and each Participant shall pay its pro-rata share of all

expenses relating to the Property in accordance with their respective interests in the Loan and shall share all income as hereinbefore provided.

20. **NOTICES**. Each notice, request, demand, consent, approval or other communication required hereunder shall be in writing and shall be deemed to have been given (i) if made by hand delivery or nationally recognized overnight delivery service (which shall be deemed delivered upon execution of a receipt for such delivery at the address designated for the receiving party), (ii) by certified mail, postage prepaid, return receipt requested (which shall be deemed delivered two (2) days after posting in the mails in this manner), or (iii) by telecopier (which shall be deemed delivered upon the sending party's receipt of a printed confirmation of receipt) addressed to the party for whom it is intended at the address set forth below:

If to Bank:	Mercantile-Safe Deposit and Trust Company Two Hopkins Plaza Baltimore, Maryland 21201 Attn: Bruce D. McLean, Senior Vice President Telecopier No.: (410) 237-5703
With a copy to:	Ballard Spahr Andrews & Ingersoll, LLP 300 E. Lombard Street 19th Floor Baltimore, Maryland, 21202 Attn: Christopher J. Fritz, Esquire Telecopier No.: (410) 528-5650
If to Participant:	Chesapeake Bank of Maryland 2001 East Joppa Road Baltimore, Maryland 21234 Attn: M. Jo Taylor Vice President Telecopier No.: (410) 665-4212
With a copy to:	O'Connor & Hammel 100 West Road Suite 215 Towson, Maryland 21204 Attn: James D. O'Connor Telecopier No.: (410) 321-1436

or to such other address with respect to any party as such party shall notify the other in writing. The Originator agrees to send to the Participant a copy of any written notice given or received by it pursuant to the terms of the Loan Documents.

21. **MANNER OF PAYMENTS**. Any and all payments to be made to or by the Originator and the Participant shall be made by wire transfer of immediately available funds in accordance with the wiring instructions attached hereto as Exhibit B and Exhibit C, as applicable

and shall be made no later than 1:00 p.m. (Baltimore time) on the date specified. Except as otherwise set forth in this Agreement, all payments to be made hereunder shall be made on the next Business Day immediately following either (i) the date giving rise to such payment obligation, or (ii) the date notice is deemed given pursuant to Section 20, of such payment obligation. Any funds received by the Originator after 1:00 p.m. (Baltimore time) shall be deemed to have been received on the following Business Day.

22. **MISCELLANEOUS.**

22.1. If any one or more of the provisions contained in this Agreement, or any documents or agreements delivered hereunder should be deemed invalid, illegal or unenforceable in any respect, the remainder of this Agreement and application of such provision to other parties or circumstances shall not be affected thereby, and shall be enforced to the maximum extent permitted by law.

22.2. Subject to the provisions of Section 15 hereof, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

22.3. This Agreement may not be altered or modified in any manner and none of its provisions may be waived except by agreement in writing executed by each party hereto.

22.4. This Agreement may be executed by the parties hereto individually, or any combination of the parties hereto in several separate counterparts, each of which shall be an original and all of which together shall constitute one and the same Agreement.

22.5. The headings of the various sections and paragraphs hereof are inserted for convenience of reference only and shall not affect the interpretation of this Agreement.

22.6. This Agreement shall not be construed for or against either of the parties based upon who drafted this Agreement.

22.7. This Agreement shall be construed, interpreted and enforced in accordance with the laws of Maryland as the same are in effect from time to time. Any action or proceeding arising hereunder shall be brought in the courts of Maryland; provided, however, that if any such action or proceeding arises under the Constitution, laws or treaties of the United States of America, or if there is a diversity of citizenship between the parties thereto, so that it is to be brought in a United States District Court, it shall be brought in the United States District Court for the District of Maryland sitting in Baltimore, Maryland. The Participant and the Originator hereby consent to the jurisdiction and venue of the courts of Maryland or the United States District Court for the District of Maryland.

22.8. **EACH PARTY HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH THE ORIGINATOR AND ANY PARTICIPANT MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO THE LOAN AND/OR THIS AGREEMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR**

PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY EACH PARTY HERETO, AND THE PARTIES HERETO HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT.

23. **RIGHT TO INSPECT PROPERTY AND CONSULT WITH BORROWER.**

Upon the reasonable request of any Participant, the Originator will, to the extent of the rights conferred on the Originator by the Loan Documents, make arrangements for such Participant to (a) inspect the Property (as defined in the Mortgage), and (b) consult with the Borrower regarding the Loan.

24. **CALL RIGHTS**. Notwithstanding any other provision of this Agreement to the contrary, including any provision premised upon Required Consent or Unanimous Consent, any Participant may, upon written notice to the Originator given at any time between February 1, 2005 and February 28, 2005, direct that the Originator exercise its rights to require mandatory prepayment of the Loan by the Borrower under the terms of Section 5 of the Note. The Originator shall not be liable for the Borrower's failure to honor any such demand for mandatory prepayment. Once such a demand has been made by the Originator, all issues relating to foreclosure or exercise of remedies shall be subject to the other provisions of this Agreement and the other Participation Agreements, including any provisions premised by their terms upon Required Consent or Unanimous Consent. The Originator shall be entitled, as an alternative to complying with such direction by a Participant, to repurchase such Participant's Participation Interest on the same terms as are provided in Section 6.3 hereof (and similar provisions of other Participation Agreements).

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties under seal as of the day and year first-above written.

WITNESS/ATTEST:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____ (SEAL)
~~Bruce McLean,~~ D. Seward Walker
~~Senior Vice President~~ Assistant Secretary/Treasurer

CHESAPEAKE BANK OF MARYLAND

~~By:~~ _____ (SEAL)
M. Jo Taylor,
Vice President

EXHIBIT A
Participation and Ownership Interests in Loan

Participant	Committed Participation Percentage	Maximum Dollar Amount
Chesapeake Bank of Maryland	6.086956521%	$2,800,000.00

EXHIBIT A
Participation and Ownership Interests in Loan

Participant	Committed Participation Percentage	Maximum Dollar Amount
Chesapeake Bank of Maryland	6.086956521%	2,800,000.00 ~~$2,800,000~~

EXHIBIT B
Originator's Wiring Instructions

Mercantile/Baltimore - ABA #052-000-618

Wire Amount: $_____

Ref: Participation Interest for Novi/Fox Run –
Loan #574359609701 – Phone advise Ora Stokes @ (410) 237-5101
upon receipt.

EXHIBIT C
Form of Participation Certificate

PARTICIPATION CERTIFICATE - NO. _____

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (the "**Originator**") hereby certifies pursuant to Section 3 of that certain Participation Agreement dated _____ ____, 2002 (the "**Participation Agreement**"), between the Originator and _____ (the "**Participant**") that it has received from the Participant the sum of _____ representing the purchase price of the Participant's interest in an advance (or, if applicable, re-advance) of a loan in the aggregate original principal amount not to exceed $46,000,000 (the "**Loan**") by the Originator to Novi Campus, LLC (the "**Borrower**"), evidenced by a Promissory Note from the Borrower to the Originator (the "**Note**"). Advances (and, if applicable, re-advances) of the Loan to the Borrower are governed by the terms of a Construction Loan Agreement between the Borrower and the Originator dated February 12, 2002 (the "**Loan Agreement**"). The Note is guaranteed and secured pursuant to the "**Loan Documents**" defined and described in the Participation Agreement.

1. This Certificate evidences the amount of the Participation Interest purchased by the Participant and is issued pursuant to the terms and conditions of the Participation Agreement, pursuant to which the Participant purchased an undivided _____ percent (_____%) ownership interest in the Loan in accordance with, and for the amounts as stated in, the Participation Agreement.

2. The total amount of the Loan advanced (or, if applicable, re-advanced) as of this date by the Originator to the Borrower pursuant to the Loan Agreement is: _____.

3. As of this date, the Participant has purchased its Participation Interest in the Loan in the cumulative principal amount of _____.

This Certificate may be transferred, but only on the books of the Originator and only in accordance with the provisions of the Participation Agreement, upon surrender hereof duly endorsed. The registered owner of this Certificate shall be conclusively presumed to be the absolute owner hereof.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By:_____
Name:_____
Title:_____

DATED at Baltimore, Maryland
_____, ____

EXHIBIT D
Participant's Wiring Instructions

Chesapeake Bank of Maryland

ABA #252-070-545
Account Name: Commercial Loan
Account Number: _____
Attention: M. Jo Taylor (Please notify at (410) 665-7600 X 3003 when wire is being sent)

SCHEDULE I
Defined Terms

Defined Terms	See Section
Actual Participation Percentage	2.1
Additional Funding Obligation	6.2
Advances	2.4
Advance Request	3.2
Agreement	Introduction
Borrower	R-1
Closing Date	R-1
Committed Participation Percentage	2.1
Defaulting Participant	6.1
Funding Date	3.2
Guarantor	R-2
Guaranty	R-2
Interest Rate	4.1
Loan	R-1
Loan Documents	R-3
Maximum Dollar Amount	5.1
Minimum Originator's Ownership Percentage	12.2
Mortgage	R-2
Note	R-2
Option Purchase Price	6.3
Originator	Introduction
Originator's Ownership Percentage	2.5
Participant	Introduction
Participant Event of Default	6.1
Participation Certificate	3.3
Participation Fee	5.1
Participation Interest	2.2
Prime Rate	4.1
Principle Payments	5.2
Purchase Option	6.3
Purchase Price	2.3

PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT (this "**Agreement**") is made as of the 20th of August, 2003, by and between MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation (the "**Originator**"), and KEY CORPORATE CAPITAL INC., an Ohio corporation (the "**Participant**").

RECITALS

R-1. On or about February 12, 2002 (the "**Closing Date**") the Originator agreed to lend, on a revolving credit basis, to Novi Campus, LLC, a Maryland limited liability company (the "**Borrower**"), the principal sum of Forty-Six Million Dollars ($46,000,000) (the "**Loan**"), in accordance with a Construction Loan Agreement dated as of the Closing Date entered into between Borrower and the Originator (the Construction Loan Agreement, as the same may hereafter be amended, restated or extended, is hereinafter referred to as the "**Loan Agreement**").

R-2. The Loan is evidenced by a Revolving Loan Note dated as of the Closing Date made by Borrower to the order of the Originator (the Revolving Loan Note, as the same may hereafter be amended, restated, or extended, is hereinafter referred to as the "**Note**"). The Borrower's obligations under the Note are (i) guaranteed pursuant to the terms of a Guaranty Agreement dated as of the Closing Date (the Guaranty Agreement, as the same may hereafter be amended, restated, or extended, is hereinafter referred to as the "**Guaranty**") executed by Erickson Retirement Communities, LLC and Erickson Group, LLC, each a Maryland limited liability company (each of which entities is hereinafter referred to as a "**Guarantor**", and both of which entities are hereinafter collectively referred to as the "**Guarantors**"), and (ii) secured by (among other agreements) a Mortgage dated as of the Closing Date from the Borrower to the Originator, and recorded in the land records of Oakland County, Michigan (the Mortgage, as the same may hereafter be amended, restated, or extended, is hereinafter referred to as the "**Mortgage**").

R-3. The Loan Agreement, the Note, the Guaranty, the Mortgage, and all other documents executed by Borrower or Guarantors in connection with the Loan and all related documents, as the same may be amended, restated, supplemented or otherwise modified from time to time (subject to the terms and conditions of this Agreement) are hereinafter sometimes collectively referred to as the "**Loan Documents**" (such term being intended to have the same meaning as is ascribed to it in the Loan Agreement).

R-4. The Loan Documents include a Ground Lessor Tri-Party Agreement dated February 28, 2003 (the "**Tri-Party Agreement**") by and among the Originator, CNL Retirement ER2, LP, a Delaware limited partnership (the "**Ground Lessor**") and CNL Retirement Partners, LP, a Delaware limited partnership, which Tri-Party Agreement was joined in and consented to by the Borrower, and related documents (collectively, the "**Ground Lease Documents**") pursuant to which the Borrower sold the Land described in the Mortgage to the Ground Lessor and leased the same back, all subject to the terms of the Mortgage.

R-5. The Participant has agreed to purchase on a non-recourse basis, an undivided ownership interest in the Loan upon the terms and subject to the conditions set forth in this Agreement.

R-6. Pursuant to the terms of this Agreement, the Originator and the Participant desire to set forth their respective obligations, covenants and agreements relating to the Loan and the security therefor.

R-7. For the convenience of the parties, the Loan Documents have been delivered to and taken in the name of the Originator on behalf of both the Originator and Participant, and the Originator shall be responsible for the general supervision and management of the Loan, in accordance with, and subject to, the terms hereof.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties, intending to be legally bound, agree as follows:

1. **DEFINED TERMS**. Unless otherwise specifically defined herein, all capitalized terms used in this Agreement shall have the same meanings and definitions ascribed to them in the Loan Agreement. A listing of terms defined in this Agreement is set forth on **Schedule I** attached hereto. In addition, the following terms used in this Agreement shall have the meanings set forth in this Section:

(a) "**Participants**" means collectively the Participant and all other parties which at any time own a participation interest in the Loan during the term of this Agreement.

(b) "**Participation Agreements**" means, collectively, this Agreement and all other participation agreements in form and substance similar to this Agreement pursuant to which Participants acquire a Participation Interest in the Loan, excluding "blind participations" as described in Section 12.2 hereof.

(c) "**Required Consent**" means the prior written consent of the Originator and of Participants holding Actual Participation Percentages which, when aggregated with the Originator's Ownership Percentage exceed 50% of the total percentage interests in the Loan other than percentage interests of any Defaulting Participant (as hereinafter defined) (such total interests minus the interests of any Defaulting Participant being referred to herein as **"Non-Defaulting Percentage Interests"**); provided, however, that if the Originator's Ownership Percentage exceeds 50% of the Non-Defaulting Percentage Interests and there is at least one Participant which is not a Defaulting Participant, then "**Required Consent**" shall mean the prior, written consent of the Originator and at least one Participant which is not a Defaulting Participant; and provided further that if the Originator's Ownership Percentage exceeds 50% of the Non-Defaulting Percentage Interests, but there are no Participants which are not Defaulting Participants, then "Required Consent" shall mean the prior, written consent of the Originator only.

(d) "**Unanimous Consent**" means the prior written consent of the Originator and of each of the Participants which is not a Defaulting Participant.

2. PURCHASE AND SALE OF PARTICIPATION.

2.1. The Originator hereby sells, without recourse, representation or warranty, except as expressly set forth herein, to the Participant and the Participant hereby purchases from the Originator, commencing from the date hereof, an undivided ownership interest in the Loan in the percentage shown on **Exhibit A** attached hereto (each Participant's committed percentage interest in the Loan as shown on **Exhibit A** to each Participation Agreement is hereinafter referred to as its "**Committed Participation Percentage**", but as the same may be adjusted from time to time in accordance with the provisions of Section 6.2 of this Agreement and similar provisions of other Participation Agreements is hereinafter referred to as its "**Actual Participation Percentage**"). The Participant hereby covenants and agrees that it is obligated to purchase its Committed Participation Percentage in all outstanding Advances made by the Originator under the Loan Agreement as of the date hereof, and that it is further obligated to fund its Committed Participation Percentage of any additional Advance to be made under the Loan Agreement, in an amount equal to its Committed Participation Percentage multiplied by the aggregate amount of such additional Advance. The Participant acknowledges that the Loan is a revolving credit facility and that Borrower has the right to repay any or all Advances made under the Loan Documents and, subject to the terms and conditions of the Loan Documents, to require the Originator to re-advance such repaid amounts.

2.2. There is no assurance that the full amount of the Loan shall be funded. For purposes of this Agreement, each Participant's ownership interest in the Loan shall be equal to its Actual Participation Percentage at any time multiplied by that amount of the Loan actually funded and outstanding at such time (each Participant's ownership interest in the Loan is herein its "**Participation Interest**").

2.3. The purchase price (the "**Purchase Price**") for each Participant's Participation Interest shall be equal to the product of (i) the total outstanding principal of the Loan together with all accrued interest and costs due and owing by Borrower under the Loan Agreement, calculated as of the date of funding, and (ii) the applicable Committed Participation Percentage. The Participant shall pay its Purchase Price to the Originator by wire transfer of immediately available funds in accordance with the Originator's wiring instruction attached hereto as **Exhibit B** on or before September 1, 2003.

2.4. As used in this Agreement, "**Advances**" means and includes the principal amount of each advance (or, if applicable, re-advance) of the Loan that is made by the Originator under the Loan Agreement. Advances include all amounts funded by the Originator as the result of a draw against a letter of credit issued by the Originator pursuant to the Loan Documents. The occurrence of an Event of Default under the Loan Documents shall not relieve the Participant of its obligations to advance to the Originator or reimburse the Originator for the Participant's Committed Participation Percentage of any draw under any letter of credit, which obligation shall be absolute and unconditional at all times during the term of this Agreement.

2.5. The "**Originator's Ownership Percentage**" shall be that percentage of the Loan determined by subtracting the aggregate Actual Participation Percentage of each of the Participants from one hundred percent (100%). The Originator shall be entitled to sell other or additional participation interests in and to the Loan on the terms provided in Sections 6.3 and

12.2 of this Agreement (subject, however, to the Minimum Originator's Ownership Percentage as specified therein).

2.6. Following a Participant Event of Default, the Participant's Actual Participation Percentage may be adjusted in accordance with the terms of Section 6.2 hereof.

3. **PARTICIPATION PROCEDURE**.

3.1. Upon Originator's receipt of the applicable Purchase Price from a Participant, such Participant's funding obligations with respect to the Loan for all Advances made by Originator prior to the date of funding, shall be deemed satisfied.

3.2. Originator shall receive and evaluate any subsequent requests from Borrower for Advances to be made under the Loan Agreement (each such request is herein an "**Advance Request**"). If Originator determines that Borrower's Request Advance is in sufficient detail and properly documented in accordance with the terms of the Loan Documents, including all required inspection reports, project status reports and completion budgets, and that Borrower is entitled to receive the requested Advance under the Loan Agreement, then Originator shall promptly provide the Participant with written notice of the Advance Request. Originator's notice to each Participant shall include (i) a summary of the Advance Request (showing percentage of completion for each phase), (ii) a copy of any approval issued by the Construction Inspector (as defined in the Loan Agreement) in connection with such Advance Request, (iii) the total amount of the Advance Request; (iv) the amount of such Participant's funding obligation relating to such Advance Request as calculated based on such Participant's Committed Participation Percentages; and (v) the due date for such Participant to fund its portion of the Advance Request (the "**Funding Date**"). The Participant shall be obligated to remit to Originator its portion of the Advance on or before its applicable Funding Date, but not sooner than one (1) Business Day following its receipt of the Originator's notice (including all items specified above). All payments to be made to Originator shall be made by wire transfer of immediately available funds in accordance with Originator's wiring instructions attached hereto as **Exhibit B**.

3.3. Each Participant's Participation Interest shall be evidenced by a "Participation Certificate" in the form of Exhibit C attached hereto and made a part hereof by this reference. The Originator shall issue a Participation Certificate to a Participant upon its receipt of the applicable Purchase Price from such Participant. If the Originator fails to deliver a Participation Certificate to any Participant as and when required under the Participation Agreements, the Originator's receipt of a Participant's payment of its Purchase Price shall evidence such Participant's Participation Interest and shall confer on such Participant an interest in all rights and benefits under the Loan and the Loan Documents, subject to the terms and conditions of such Participant's Participation Agreement.

4. **INTEREST ON PARTICIPATION**.

4.1. From and after the date of the Originator's receipt of a Participant's applicable Purchase Price, such Participant shall be entitled to receive with respect to its Participation Interest, interest calculated at the interest rate applicable under the Note (the "**Interest Rate**"), which is the Prime Rate (as defined below) plus one-quarter percent (¼%) per

annum. As used herein the term "**Prime Rate**" refers to that interest rate set by the Originator from time to time as an interest rate base for borrowings. The Prime Rate is one of several interest rate bases used by the Originator. The Originator lends at rates above and below the Prime Rate.

4.2. Interest on a Participant's Participation Interest shall be calculated on the basis of a 360-day year factor applied to actual days elapsed, and, shall be adjusted on any date on which a change in the Originator's Prime Rate is effective.

4.3. If an Event of Default exists under the Loan Documents and Originator receives payment of interest under the Note at the Default Interest Rate (as defined in the Note) or if the Originator receives the payment of any late charge or late fee under the Loan Documents, then each Participant holding a Participation Interest shall be entitled to a portion of such default interest payment, late charge or late fee calculated based on such Participant's Actual Participation Percentage.

4.4. Notwithstanding any provision of this Agreement to the contrary, the Originator's obligation to remit payments of interest, late charges or late fees to the Participants under this Section 4 or any similar provision of the other Participation Agreements shall be expressly conditioned and contingent upon the Originator's receipt of such funds from or on behalf of the Borrower. Further, if and to the extent the Loan Documents provide that the Originator may elect how and in what order funds received from or on behalf of Borrower are to be applied to Borrower's obligations under the Loan Documents, the Originator's election shall be conclusive as to such application and the provisions of this Section 4 and similar provisions of other Participation Agreements shall apply only as to funds actually received from or on behalf of Borrower which are determined by the Originator to be applied to the payment of interest and/or late charges or late fees payable under the Loan Documents.

4.5. All payments to be made under the terms of this Section 4 shall be made by the Originator within the time periods described in Section 12 hereof.

5. PAYMENTS OF PRINCIPAL.

5.1. Other than the payment of interest, late charges and late fees as provided in Section 4 above (and similar provisions of other Participation Agreements), the repayment of the principal portion of the Participant's Participation Interest as provided in this Section 5 (and similar provisions of other Participation Agreements), and a one-half percent (½%) participation fee (a "**Participation Fee**") based on the Participant's "**Maximum Dollar Amount**" (such term meaning, with respect to each of the Participants, the maximum principal amount of the Loan times such Participant's Committed Percentage Amount), which shall be earned and payable to the Participant (subject only to the forfeiture and reimbursement provisions of Section 6.1 (and similar provisions of other Participation Agreements)) on the date of the Participant's payment of the applicable Purchase Price for its Participation Interest, the Participant shall not be entitled to receive any portion of the payment of any loan fees, additional fees, premiums or other payments that may be payable by Borrower in connection with the Loan. Notwithstanding the foregoing, if any Participant does not fund its applicable Purchase Price on or prior to October 1, 2002 the Participation Fee payable to such Participant (if any) shall be determined by the Originator in its

sole discretion. No Participation Fee shall be paid by the Originator to a Participant which succeeds to the rights of the Participant under this Agreement as a result of an approved assignment under Section 16 hereof.

5.2. The Participant and the Originator agree that during the continuance of this Agreement, all payments of principal received by the Originator from or on behalf of the Borrower (hereinafter the "**Principal Payments**"), shall be applied as set forth in Section 12 hereof. Principal Payments may be derived from all or any portion of the following amounts received by the Originator in connection with the Loan:

(i) Principal repayments or prepayments (subject to the Participant's agreement to re-advance its share thereof if Borrower is entitled to the re-advance thereof pursuant to the Loan Documents).

(ii) Proceeds from the sale of the Loan (excluding amounts received by the Originator in respect of the sale of additional or other Participation Interests or other participations in the Loan).

(iii) Proceeds realized from the Property or any other property held as security for the Loan.

(iv) Payments received under the Guaranty, subject to the provisions of Section 5.3 below.

(v) Amounts received pursuant to Section 12 hereof (and similar provisions of other Participation Agreements).

5.3. Notwithstanding the foregoing or any other contrary provision of this Agreement, the Participant acknowledges that the Originator holds guarantees from the Guarantors for loans and obligations other than the Loan and the obligations arising under the Loan Documents, and agrees that payments received from the Guarantors shall be applicable to the Loan and/or the Loan Documents only to the extent such sums are either agreed by the Originator in writing on or after the date of receipt to be applicable to the Loan and/or the Loan Documents or are actually applied by the Originator to obligations owing in connection with the Loan in accordance with the Loan Documents.

5.4. Notwithstanding any provision of this Agreement to the contrary, if and to the extent the Loan Documents provide that the Originator may elect how and in what order funds received from or on behalf of Borrower are to be applied to obligations under the Loan Documents, the Originator's election shall be conclusive as to such application and the provisions of this Section 5 shall apply only as to funds received from or on behalf of Borrower which are determined by the Originator to be applied to the payment of principal under the Loan Documents.

5.5. All payments to be made under the terms of this Section 5 shall be made by the Originator within the time periods described in Section 12 hereof.

6. PARTICIPANT DEFAULT.

6.1. The failure of any of the Participants to pay when due any of its payment obligations to Originator in the manner and within the time frames set forth herein or in the other Participation Agreements shall constitute a default as it relates to said Participant (hereinafter, the "**Defaulting Participant**"). If the Defaulting Participant fails to cure such default within five (5) Business Days following Originator's delivery of notice of default (given in accordance with the provisions of Section 20 hereof), then said default shall constitute a "**Participant Event of Default.**" If a Participant Event of Default occurs within three (3) years from the date of its applicable Participation Agreement, the Defaulting Participant shall forfeit its Participation Fee in its entirety, and shall immediately upon demand of the Originator reimburse the Originator the amount of such Participation Fee. Following a Participant Event of Default, the Originator shall be entitle to pursue any and all remedies available at law or in equity against the Defaulting Participant. The failure of any or all of the other Participants to pay when due any of its or their payment obligations shall not relieve the Participant of its obligations hereunder.

6.2. The Originator shall give written notice to the Participant of any Participant Event of Default relating to any or all of the other Participants. In the event of a Participant Event of Default and provided that the Originator does not elect to exercise the Purchase Option set forth in Section 6.3 below, the remaining Participants (other than the Defaulting Participant) and Originator shall be obligated to fund any unpaid obligation of the Defaulting Participant (including all amounts owing hereunder, whether in respect of Advances, amounts returned or refunded in accordance with the provisions of Section 12.4 (and similar provisions of other Participation Agreements), or otherwise), amounts owing for expenses under Section 14 hereof (and similar provisions of other Participation Agreements), or otherwise) (the "**Additional Funding Obligations**") on a pro-rata basis, provided however, that the aggregate funding obligation of each Participant shall be limited to each Participant's Maximum Dollar Amount, plus a pro rata share of expenses payable by each Participant under the provisions of Section 14 hereof (and similar provisions of other Participation Agreements). The Maximum Dollar Amount of a Participant may not be increased without such Participant's express prior written approval. The respective Additional Funding Obligations of the parties shall be calculated for each Participant by multiplying its Committed Participation Percentage times the dollar amount of the Defaulting Participant's unpaid obligation.

For example, if the Originator receives an Advance Request in the amount of $100.00, a Participant's Committed Participation Percentage immediately prior to paying its Additional Funding Obligation equals 20% (and such Participant pays $20.00 in respect of its Participation Interest) and the Defaulting Participant's unpaid obligation equals $20.00 (also representing a 20% Committed Participation Percentage), then such Participant would be obligated to fund an Additional Funding Obligation in the amount of $4.00 (.20 x $20.00 = $4.00), subject however to such Participant's Maximum Dollar Amount.

If the parties are required hereunder to pay any Additional Funding Obligations then the respective ownership interests of all parties in the Loan will be subject to adjustment as follows. Notwithstanding the Committed Participation Percentages set forth on **Exhibit A** to this Agreement and any other Participation Agreements, each Participant's Actual Participation Percentage shall be equal to the percentage of the aggregate amounts funded by the applicable Participant and still outstanding and unpaid, to the amount of the Loan actually funded and still outstanding. The Originator's Ownership Percentage shall also be recalculated based on the

percentage of the funding obligations of the Originator actually funded and outstanding, and not reimbursed by any Participant, to the amount of the Loan actually funded and still outstanding. The adjustments to each Participant's Actual Participation Percentage will result in an increased Actual Participation Percentage for all non-defaulting Participants and a decreased Actual Participation Percentage for the Defaulting Participant. Following an adjustment to the Actual Participation Percentages, the Originator shall promptly issue new Participation Certificates in the form of **Exhibit C** reflecting said adjustments and the aggregate funded and outstanding amounts for each Participant.

Notwithstanding the adjustment to Actual Participating Percentages and the issuance of new Participation Certificates as a result thereof, a Defaulting Participant shall nevertheless remain liable for funding Advances based on its Committed Participation Percentage as shown on **Exhibit A** attached to this Agreement and any other Participation Agreements, and the Originator shall retain all rights against the Defaulting Participant, and may exercise any and all remedies set forth in this Agreement or available under applicable law, with respect to the obligations of the Defaulting Participant.

If each Participant which is not a Defaulting Participant has funded amounts equal to its Maximum Dollar Amount plus its share of expenses payable under Section 14 hereof (and similar provisions of other Participation Agreements), and the Borrower is nevertheless entitled to additional Advances, such Advances shall be made by the Originator, and the Originator's Ownership Percentage shall be increased, and each Participant's Actual Participation Percentage shall be reduced, accordingly, as provided above.

6.3. Following a Participant Event of Default, in addition to all other remedies provided for in this Agreement and under applicable law, the Originator shall also have the option to purchase the Participation Interest of the Defaulting Participant (the "**Purchase Option**") for an amount equal to the product of (A) the outstanding principal sum of the Loan and (B) the Defaulting Participant's Committed Participation Percentage, minus (C) all amounts owing by the Defaulting Participant to the Originator under its Participation Agreement, including the Participant's portion of any due and unfunded Advance Request and any obligated reimbursement of the Defaulting Participant's Participation Fee (for a Participant Event of Default occurring within three (3) years after the date of this Agreement) (herein the "**Option Purchase Price**"). If the Originator elects to exercise the Purchase Option then it shall give written notice of such election to the Defaulting Participant. The Originator's notice shall also include the amount of the Option Purchase Price and the closing date for the Purchase Option. On the closing date, the Originator covenants and agrees that it shall pay the Option Purchase Price to the Defaulting Participant and the Defaulting Participant covenants and agrees that it shall deliver to the Originator all original Participation Certificates issued by the Originator to the Defaulting Participant. Notwithstanding the foregoing, the parties agree that the Originator's payment of the Option Purchase Price to the Defaulting Participant shall constitute and evidence the Originator's purchase of the Participation Interest of the Defaulting Participant. Following the Originator's exercise of the Purchase Option and purchase of the Participant's Participation Interest of the Defaulting Participant, the Originator shall have the right to sell all or any portion of said Participant's Participation Interest to any existing Participant or any new Participant without obtaining the Required Consent of the parties.

7. **LOAN DOCUMENTS**. The Originator has delivered to the Participant certified duplicate originals or photocopies of fully executed originals of each of the Loan Documents. From time to time promptly after receipt thereof, the Originator shall also deliver to the Participant copies of all documentation required under the Loan Documents to be supplied by or on behalf of the Borrower to the Originator in connection with the Loan, and the security therefor (collectively, the "Collateral Materials"). The Participant acknowledges and agrees that it has reviewed and approved the Loan Documents and Collateral Materials received as of the date of this Agreement.

8. **NO WARRANTIES**. Except as otherwise provided in this Section 8, the Originator does not make any express or implied warranty of any kind with respect to the Loan, and the Originator assumes no responsibility with respect to the legality, enforceability or collectibility of the Loan, the Loan Documents, or any security for the Loan. The Originator assumes no responsibility for the financial condition of Borrower or any Guarantor, for the security value of any collateral, the sufficiency thereof, or for the performance of any obligations of Borrower or Guarantors. The Participant agrees and warrants that it has had full and free opportunities to inspect the Loan Documents and the Collateral Materials related to the Loan and has not relied on any statement by the Originator in entering into this Agreement and purchasing its Participation Interest in the Loan. The Originator makes the following express, limited warranties to the Participant:

8.1. Interest payable under the Note for periods after the date of this Agreement has not been paid in advance of the dates on which the same is due under the Loan Documents;

8.2. To the knowledge of the Bank, no default nor any Default or Event of Default (as defined in the Loan Documents) exists under the Loan Documents, except (a) those which have been waived pursuant to the terms of the Waiver and Extension Agreement executed in connection with the Loan and dated as of July 31, 2002, and (b) non-material defaults related to failure to deliver post-closing items on or before the dates established in the Loan Documents;

8.3. Except for interests granted under this Agreement and other Participation Agreements, the Originator owns the Loan and all rights related to the Loan; and

8.4. The Originator has the right and authority to sell the Participation Interest specified herein to the Participant, and to grant to the Participant all of the rights and interests provided for herein with respect to the Loan.

9. **NO PARTNERSHIP OR EXTENSION OF CREDIT**. Neither the execution of this Agreement, nor the sharing in the Loan or in any security for the Loan, nor any agreement to share in profits or losses arising as a result of this transaction, is intended to be, nor shall it be construed to be, the formation of a partnership or joint venture between the parties hereto. This Agreement and the Participant's Participation Interest created hereunder shall not be construed to be an extension of credit by the Participant to the Originator.

10. **MANAGEMENT AND DUTY OF CARE**. It is the intention of the Participant that the Originator supervise the collection and management of the Loan. The Originator shall

not be liable under this Agreement to the Participant for any action taken or omitted or for any error in judgment, except for the Originator's breach of this Agreement or its own gross negligence, bad faith or willful misconduct. The Participant acknowledges that the Originator's obligations with respect to the Loan shall be no greater than the customary practices currently employed by the Originator in administering and servicing other loans covering commercial properties similar to the Property.

11. **POSSESSION OF LOAN DOCUMENTS AND MAINTENANCE OF ACCOUNTS**. At all times during the term of this Agreement the Originator shall maintain and keep proper books of account and records at its above office reflecting each Participant's Participation Interest, which books and records shall be available to the Participants or their representatives for inspection and copying at Participants' expense at all reasonable times during normal business hours. The original Loan Documents shall be held by Originator for the ratable benefit and protection of the Participants, subject to the terms and conditions of this Agreement and the other Participation Agreements

12. **COLLECTIONS AND PAYMENTS**.

12.1. The Originator shall be entitled to collect and receive from Borrower or others all payments of interest, Principal Payments and late charges and late fees, if any, or other moneys due and payable with respect to the Loan at the time and in the manner specified in the Note, Loan Agreement or any other Loan Document, and shall give proper receipts therefor to the extent required by applicable law or the terms and conditions of the Loan Documents. The Originator shall, within one (1) Business Day following receipt and collection of any such sums, pay directly to each Participant its proportionate share of such sums received, less the expenses, if any, described herein, in accordance with the terms of this Agreement. The Originator's obligation to remit is only as to funds actually and unconditionally received and cleared. All payments to be made by the Originator to the Participant shall be made by wire transfer of immediately available funds in accordance with the Participant's wiring instructions attached hereto as **Exhibit D**.

(i) Upon payment of interest and/ or late charges, late fees or expenses by or on behalf of Borrower under the Note, the Originator shall pay to each Participant its share of the interest then due and/or the late charges, late fees or expenses in accordance with, and subject to the terms and conditions of, Section 4 of this Agreement (and similar provisions of other Participation Agreements).

(ii) Upon payment of any and all Principal Payments, the Originator shall pay to each Participant its share of such amounts in accordance with, and subject to the terms and conditions of, Section 5 of this Agreement (and similar provisions of other Participation Agreements).

12.2. The Originator shall be deemed to hold in trust each Participant's share in any such payments, subject to the terms and conditions of the Participation Agreements. The Originator shall also have the right to accept payment of the Loan in accordance with its terms and to execute proper satisfactions therefor to the extent required by applicable law or the terms and conditions of the Loan Documents and, subject to obtaining Required Consent of the parties

to sell, assign or transfer the Loan and to execute proper assignments thereof. Upon payment in full or sale of the Loan (but excluding the sale of any additional participation interests in the Loan), the Originator shall promptly account for and pay over to each Participant its share thereof, in accordance with, and subject to the terms and conditions of, the Participation Agreements. In addition to the rights set forth in Section 6.3, the Originator shall also have the right, without consent or approval of any Participant, to sell other or additional participation interests in the Loan on any of the following terms:

(i) the Originator may sell one or more participation interests in the Loan to any other bank, insurance company or other participant on the same terms as are provided in this Agreement by having such entity execute a Participation Agreement in substantially the form hereof; and/or

(ii) the Originator may sell one or more participation interests in the Loan on such terms as the Originator may deem appropriate, provided that the Originator retains sole right and authority at all times to act on behalf of any such additional participants with respect to the Loan and this Agreement (i.e., such participations shall be "blind" participations), all of which participations shall be aggregated under and counted toward the Originator's Ownership Percentage; provided, however, that such blind participations shall not be counted toward satisfying the Minimum Originator's Ownership Percentage, which must be held exclusively for the account of Originator (and/or its affiliate entities owned by Mercantile Bankshares Corporation).

Notwithstanding the foregoing provisions of this Section 12.2 or of any other provision of this Agreement, unless and until the Loan is paid in full or sold in accordance with the provisions of this Agreement, the Originator shall maintain and hold for its own account (excluding blind participations) an Originator's Ownership Percentage equal at all times to at least ten percent (10%) of the Loan (the "**Minimum Originator's Ownership Percentage**").

12.3. In accordance with, and subject to the terms and conditions of, the Loan Documents, the Originator may collect, sue for, settle on, compromise, and receive the net proceeds, after fees, expenses and costs of collection, of any condemnation awards and payments which may become and be payable under any and all policies of insurance for the benefit of the Originator, as mortgagee, in connection with the Loan. Such proceeds and payments shall be applied in accordance with the Loan Documents and, if the Originator is entitled to determine the application of such proceeds and payments in accordance with the Loan Documents, such determination shall be in the sole discretion of the Originator.

12.4. If the Originator is compelled to return or refund any payment or sum previously received from Borrower or any Guarantor, by reason of the same being declared a preferential transfer in a bankruptcy proceeding, or for any other reason, each Participant shall, on demand of the Originator, immediately reimburse the Originator an amount equal to the sum of any such amount returned or refunded multiplied by the respective Participant's Committed Participation Percentage.

13. **LOAN DEFAULTS AND EXERCISE OF ENFORCEMENT RIGHTS AND REMEDIES**. The Originator shall from time to time, when requested by a Participant, render

information to such Participant as to the status of any matter relating to the Loan and shall, regardless of whether it is requested to do so, promptly notify each of the Participants of the existence and nature of any facts or events of which the Originator has actual knowledge which in the Originator's reasonable judgment (a) materially impair the security for the Loan, or (b) constitute an event of default under any of the Loan Documents. If any such impairment or event of default shall occur, the Originator, after advising each of the Participants of such course of action, shall (a) use reasonable efforts to cause Borrower or Guarantors to promptly cure each such event of default or impairment and (b) take such actions as the Originator deems prudent, including the exercise of such other rights and remedies as may be exercised under the Loan Documents, including, without limitation, the institution of foreclosure or other legal proceedings. If the Originator forecloses or takes possession of any property encumbered by the Mortgage, the Originator shall notify the Participants of a program for the management and supervision of, and for the ultimate disposition of, such property, subject to Required Consent of the parties; if any Participant fails to respond to the Originator's proposal within seven (7) days from the Originator's notice to such Participant, then such Participant shall be deemed to have approved the Originator's proposal for the management and supervision of such property.

14. **EXPENSES**. From all payments due to the Participants under the Participation Agreements, the Originator may make proportionate deductions (based on each Participant's Committed Participation Percentage) for out-of-pocket expenses reasonably incurred by the Originator and actually paid by the Originator in connection with the collection and enforcement of the Loan and management of the Property, including reasonable fees of counsel and other agents who may be employed by the Originator, to the extent not otherwise reimbursed, up to an aggregate amount of $25,000 without the Required Consent of the parties. Expenses incurred or which are expected to be incurred in excess of $25,000 are subject to Required Consent of the parties; provided, however, that once Required Consent of the parties has been received for an expense or expenses, such approved expense and amounts shall no longer be counted against the $25,000 limitation set forth in this Section 14 (or similar provisions of other Participation Agreements). The Participant agrees, on request of the Originator, to reimburse the Originator for the Participant's proportionate share of any such expenses not so deducted calculated based on the Participant's Committed Participation Percentage. The Originator shall provide a statement and supporting documentation with any such request. Expense payments shall be reimbursed to the Participants in accordance with, and subject to the requirements set forth in, Section 12 hereof.

15. **ACQUISITION FOR INVESTMENT**. The Participant represents that it has acquired its Participation Interest for its own account for the purpose of investment and not with any present intention of selling its Participation Interest, but the Participant shall, nevertheless, have the right, subject to the provisions of Section 16 hereof, to sell or otherwise dispose of its Participation Interest (or any portion thereof) subject to the terms thereof (including obtaining Required Consent of the parties). In no event shall any subsequent holder of all or any portion of the Participant's Participation Interest have any greater rights with respect thereto than are granted to the Participant under this Agreement and such holder shall take the Participant's Participation Interest (or any portion thereof) subject to the terms and conditions of this Agreement, regardless of the terms of any agreement to the contrary between the Participant and such subsequent holder.

16. **ASSIGNMENTS**. Except as otherwise provided under this Agreement and the other Participation Agreements, neither the Originator nor any Participant shall sell, pledge, assign or otherwise transfer its rights or obligations under any of the Participation Agreements, the Loan or the Loan Documents without obtaining Required Consent of the parties (except that such consent shall not be required with respect to entities that have succeeded to the assets and liabilities generally of the parties hereto). No permitted transfer or assignment shall be effective unless and until an original or duplicate original written transfer or assignment has been filed with the Originator, and the transferee has executed such documentation as may be reasonably required by the Originator to evidence the agreement of such transferee to be bound by the terms of its predecessor's Participation Agreement. When any permitted transfer or assignment becomes effective, the transferee or assignee shall, for all purposes of this Agreement, have all rights and interests of the assignor hereunder. The provisions of this Section shall not limit or impair the right of the Originator to sell other or additional participations in the Loan on the terms described in Sections 6.3 and 12.2 hereof.

17. **EXPRESS RESTRICTIONS.**

17.1. Without limiting the generality of any of the provisions of this Agreement, the Originator shall not, except as otherwise provided in Section 24 of this Agreement (and similar provisions of other Participation Agreements), without Required Consent of the parties, amend or waive any material provision of any of the Loan Documents, or consent with respect to any material departure by the Borrower or Guarantors therefrom. In addition, the Originator shall not, except as otherwise provided in Section 24 of this Agreement (and similar provisions of other Participation Agreements), without Unanimous Consent of the parties, do any of the following:

(a) increase, extend or reinstate after termination, the obligation of the Originator to make advances to the Borrower under the Loan Agreement;

(b) postpone or delay any date fixed by any Loan Document for any payment of principal, interest, fees or other amounts due to the Originator, or postpone or delay any date fixed by this Agreement for any payment of any amounts due to any of the Participants under the Participation Agreements, or decrease the time within which the Originator and the Participants may fund obligations under the Loan Documents and the Participation Agreements;

(c) reduce the principal of, or the index upon which interest is calculated on, the Loan, or any fees or other amounts payable hereunder or under any other Loan Documents;

(d) change any of the Actual Participation Percentages other than pursuant to the terms of the Section 6.3 hereof (and similar provisions of other Participation Agreements) or in connection with an assignment or sale of an additional participation under Section 16 or Section 12.2 hereof (and similar provisions of other Participation Agreements);

(e) release any Guarantors or any collateral for the Loan except as provided in the Loan Documents;

(f) release all or substantially all of Property subject to the Mortgage; or

(g) amend this Section 17.1 or any provision herein providing for Unanimous Consent or Required Consent.

No amendment, waiver or consent shall, unless in writing and signed by the Originator in addition to the Participants giving Unanimous Consent or Required Consent, as the case may be, affect the rights or duties of the Originator under any Participation Agreement or any of the Loan Documents. Fees and charges owing exclusively to the Originator and not to any of the Participants under the Participation Agreements may be amended, increased or waived in the sole discretion of the Originator.

17.2. The Participants and the Originator, in good faith, shall agree or attempt to reach agreement on the taking of any action requiring Unanimous Consent or Required Consent pursuant to the terms of this Agreement within such reasonable period of time as the circumstances prescribe. If the Participants and the Originator are unable to agree upon the taking of any action requiring Unanimous Consent or Required Consent pursuant to the terms of this Agreement and/or the other Participation Agreements, within such reasonable period of time as the circumstances prescribe, then Originator shall be permitted to take only those actions it deems necessary pursuant to the Loan Documents or applicable law to preserve the rights of the Originator and the Participants against the Borrower, the Guarantors and the Collateral, without impairing the rights of the Participants under Section 17.1, until the Participants and the Originator are able to reach such agreement.

17.3. Whenever this Agreement requires Unanimous Consent or Required Consent, the same shall be deemed to have been given by a Participant on the day which is seven (7) Business Days after the Originator has given notice to such Participant of the Originator's request for such consent, unless within such seven (7) Business Day period such Participant shall provide written notice to the Originator of such Participant's refusal to consent, which notice shall include the reasons for such refusal.

18. **INSURANCE**. The Originator will ascertain that policies of insurance as are required by the Loan Documents, with premiums fully prepaid, are in full force and effect with respect to the Borrower, the Guarantors and any property encumbered by any of the Loan Documents, such insurance to protect the respective interests of the parties hereto and to the other Participation Agreements. Other than its agreement to monitor the obligations of Borrower and the Guarantors to maintain insurance coverages as provided in the Loan Documents, the Originator has no obligation to insure the Property.

19. **LEGAL PROCEEDINGS**. If the Originator shall commence any legal proceedings against Borrower, any or all of the Guarantors, the Property, or any other security for the repayment of the Loan, the Originator shall from time to time provide the Participants with copies of all documents in connection therewith and keep the Participants fully informed as to the progress thereof. The Participant shall be responsible for and agrees to pay, upon presentation of a statement and supporting documentation therefor, its pro-rata share, based on its Committed Participation Percentage, of reasonable attorney's fees, court costs and out-of-

pocket expenses actually incurred by the Originator in connection with such proceedings and not otherwise reimbursed (as of the date of such statement) to the Originator by Borrower, any Guarantor or any other party, subject, however, to the restrictions contained in Section 14 hereof (and similar provisions of other Participation Agreements). All sums realized or collected pursuant to legal proceedings shall be deemed Payments as provided in Section 5 hereof (and similar provisions of other Participation Agreements) and shall be promptly distributed among the parties in accordance with Section 12 hereof (and similar provisions of other Participation Agreements). If the Originator takes possession of the Property, either through foreclosure proceedings or otherwise, the Originator and each Participant shall pay its pro-rata share of all expenses relating to the Property in accordance with their respective interests in the Loan and shall share all income as hereinbefore provided.

20. **NOTICES**. Each notice, request, demand, consent, approval or other communication required hereunder shall be in writing and shall be deemed to have been given (i) if made by hand delivery or nationally recognized overnight delivery service (which shall be deemed delivered upon execution of a receipt for such delivery at the address designated for the receiving party), (ii) by certified mail, postage prepaid, return receipt requested (which shall be deemed delivered two (2) days after posting in the mails in this manner), or (iii) by telecopier (which shall be deemed delivered upon the sending party's receipt of a printed confirmation of receipt) addressed to the party for whom it is intended at the address set forth below:

If to Bank:
Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21201
Attn: Bruce D. McLean,
Senior Vice President
Telecopier No.: (410) 237-5703

With a copy to:
Ballard Spahr Andrews & Ingersoll, LLP
300 E. Lombard Street
19th Floor
Baltimore, Maryland, 21202
Attn: Christopher J. Fritz, Esquire
Telecopier No.: (410) 528-5650

If to Participant:

Key Corporate Capital Inc.
580 Walnut Street
Cincinnati, OH 45202
Attn: Charles J. Shoop
Vice President
Telecopier No.: (513) 762-8450

With a copy to:

Key Corporate Capital Inc.
127 Public Square, 8th Floor
Cleveland, OH 44114
Attn: Dawn Shoda
Assistant Vice President
Telecopier No.: (216) 689-3566

or to such other address with respect to any party as such party shall notify the other in writing. The Originator agrees to send to the Participant a copy of any written notice given or received by it pursuant to the terms of the Loan Documents.

21. **MANNER OF PAYMENTS**. Any and all payments to be made to or by the Originator and the Participant shall be made by wire transfer of immediately available funds in accordance with the wiring instructions attached hereto as Exhibit B and Exhibit C, as applicable and shall be made no later than 1:00 p.m. (Baltimore time) on the date specified. Except as otherwise set forth in this Agreement, all payments to be made hereunder shall be made on the next Business Day immediately following either (i) the date giving rise to such payment obligation, or (ii) the date notice is deemed given pursuant to Section 20, of such payment obligation. Any funds received by the Originator after 1:00 p.m. (Baltimore time) shall be deemed to have been received on the following Business Day.

22. **MISCELLANEOUS**.

22.1. If any one or more of the provisions contained in this Agreement, or any documents or agreements delivered hereunder should be deemed invalid, illegal or unenforceable in any respect, the remainder of this Agreement and application of such provision to other parties or circumstances shall not be affected thereby, and shall be enforced to the maximum extent permitted by law.

22.2. Subject to the provisions of Section 15 hereof, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

22.3. This Agreement may not be altered or modified in any manner and none of its provisions may be waived except by agreement in writing executed by each party hereto.

22.4. This Agreement may be executed by the parties hereto individually, or any combination of the parties hereto in several separate counterparts, each of which shall be an original and all of which together shall constitute one and the same Agreement.

22.5. The headings of the various sections and paragraphs hereof are inserted for convenience of reference only and shall not affect the interpretation of this Agreement.

22.6. This Agreement shall not be construed for or against either of the parties based upon who drafted this Agreement.

22.7. This Agreement shall be construed, interpreted and enforced in accordance with the laws of Maryland as the same are in effect from time to time. Any action or proceeding arising hereunder shall be brought in the courts of Maryland; provided, however, that if any such action or proceeding arises under the Constitution, laws or treaties of the United States of America, or if there is a diversity of citizenship between the parties thereto, so that it is to be brought in a United States District Court, it shall be brought in the United States District Court for the District of Maryland sitting in Baltimore, Maryland. The Participant and the Originator hereby consent to the jurisdiction and venue of the courts of Maryland or the United States District Court for the District of Maryland.

22.8. **EACH PARTY HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH THE ORIGINATOR AND ANY PARTICIPANT MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO THE LOAN AND/OR THIS AGREEMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY EACH PARTY HERETO, AND THE PARTIES HERETO HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT.**

23. **RIGHT TO INSPECT PROPERTY AND CONSULT WITH BORROWER.**

Upon the reasonable request of any Participant, the Originator will, to the extent of the rights conferred on the Originator by the Loan Documents, make arrangements for such Participant to (a) inspect the Property (as defined in the Mortgage), and (b) consult with the Borrower regarding the Loan.

24. **CALL RIGHTS.** Notwithstanding any other provision of this Agreement to the contrary, including any provision premised upon Required Consent or Unanimous Consent, any Participant may, upon written notice to the Originator given at any time between February 1, 2005 and February 28, 2005, direct that the Originator exercise its rights to require mandatory prepayment of the Loan by the Borrower under the terms of Section 5 of the Note. The Originator shall not be liable for the Borrower's failure to honor any such demand for mandatory prepayment. Once such a demand has been made by the Originator, all issues relating to foreclosure or exercise of remedies shall be subject to the other provisions of this Agreement and the other Participation Agreements, including any provisions premised by their terms upon Required Consent or Unanimous Consent. The Originator shall be entitled, as an alternative to complying with such direction by a Participant, to repurchase such Participant's Participation

Interest on the same terms as are provided in Section 6.3 hereof (and similar provisions of other Participation Agreements).

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties under seal as of the day and year first-above written.

WITNESS/ATTEST:

_____

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By:_____(SEAL)
D. Seward Woelper,
Assistant Secretary/Treasurer

KEY CORPORATE CAPITAL INC.

_____

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

EXHIBIT A
Participation and Ownership Interests in Loan

Participant	Committed Participation Percentage	Maximum Dollar Amount
Key Corporate Capital Inc.	21.739130434%	$10,000,000.000

EXHIBIT B
Originator's Wiring Instructions

Mercantile/Baltimore - ABA #052-000-618

Wire Amount: $_____

Ref: Participation Interest for Novi/Fox Run –
Loan #574359609701 – Phone advise Ora Stokes @ (410) 237-5101
upon receipt.

EXHIBIT C
Form of Participation Certificate

PARTICIPATION CERTIFICATE - NO. _____

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (the "**Originator**") hereby certifies pursuant to Section 3 of that certain Participation Agreement dated _____ ____, 2003 (the "**Participation Agreement**"), between the Originator and _____ (the "**Participant**") that it has received from the Participant the sum of _____ representing the purchase price of the Participant's interest in an advance (or, if applicable, re-advance) of a loan in the aggregate original principal amount not to exceed $46,000,000 (the "**Loan**") by the Originator to Novi Campus, LLC (the "**Borrower**"), evidenced by a Promissory Note from the Borrower to the Originator (the "**Note**"). Advances (and, if applicable, re-advances) of the Loan to the Borrower are governed by the terms of a Construction Loan Agreement between the Borrower and the Originator dated February 12, 2002 (the "**Loan Agreement**"). The Note is guaranteed and secured pursuant to the "**Loan Documents**" defined and described in the Participation Agreement.

1. This Certificate evidences the amount of the Participation Interest purchased by the Participant and is issued pursuant to the terms and conditions of the Participation Agreement, pursuant to which the Participant purchased an undivided _____ percent (_____%) ownership interest in the Loan in accordance with, and for the amounts as stated in, the Participation Agreement.

2. The total amount of the Loan advanced (or, if applicable, re-advanced) as of this date by the Originator to the Borrower pursuant to the Loan Agreement is: _____.

3. As of this date, the Participant has purchased its Participation Interest in the Loan in the cumulative principal amount of _____.

This Certificate may be transferred, but only on the books of the Originator and only in accordance with the provisions of the Participation Agreement, upon surrender hereof duly endorsed. The registered owner of this Certificate shall be conclusively presumed to be the absolute owner hereof.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By:_____
Name:_____
Title:_____

DATED at Baltimore, Maryland
_____ ___, _____

EXHIBIT D
Participant's Wiring Instructions

Key Corporate Capital Inc.
Cleveland, Ohio
ABA #041-001-039
Account Name: Wire Transfer Clearing
Account Number: 114010
Attention: Dawn Shoda x4-3920

SCHEDULE I
Defined Terms

Defined Terms	See Section
Actual Participation Percentage	2.1
Additional Funding Obligation	6.2
Advances	2.4
Advance Request	3.2
Agreement	Introduction
Borrower	R-1
Closing Date	R-1
Committed Participation Percentage	2.1
Defaulting Participant	6.1
Funding Date	3.2
Guarantor	R-2
Guaranty	R-2
Interest Rate	4.1
Loan	R-1
Loan Documents	R-3
Maximum Dollar Amount	5.1
Minimum Originator's Ownership Percentage	12.2
Mortgage	R-2
Note	R-2
Option Purchase Price	6.3
Originator	Introduction
Originator's Ownership Percentage	2.5
Participant	Introduction
Participant Event of Default	6.1
Participation Certificate	3.3
Participation Fee	5.1
Participation Interest	2.2
Prime Rate	4.1
Principle Payments	5.2
Purchase Option	6.3
Purchase Price	2.3

PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT (this "**Agreement**") is made as of the 31st of July, 2002, by and between MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation (the "**Originator**"), and THE COLUMBIA BANK, a Maryland banking corporation (the "**Participant**").

RECITALS

R-1. On or about February 12, 2002 (the "**Closing Date**") the Originator agreed to lend, on a revolving credit basis, to Novi Campus, LLC, a Maryland limited liability company (the "**Borrower**"), the principal sum of Forty-Six Million Dollars ($46,000,000) (the "**Loan**"), in accordance with a Construction Loan Agreement dated as of the Closing Date entered into between Borrower and the Originator (the Construction Loan Agreement, as the same may hereafter be amended, restated or extended, is hereinafter referred to as the "**Loan Agreement**").

R-2. The Loan is evidenced by a Revolving Loan Note dated as of the Closing Date made by Borrower to the order of the Originator (the Revolving Loan Note, as the same may hereafter be amended, restated, or extended, is hereinafter referred to as the "**Note**"). The Borrower's obligations under the Note are (i) guaranteed pursuant to the terms of a Guaranty Agreement dated as of the Closing Date (the Guaranty Agreement, as the same may hereafter be amended, restated, or extended, is hereinafter referred to as the "**Guaranty**") executed by Erickson Retirement Communities, LLC and Erickson Group, LLC, each a Maryland limited liability company (each of which entities is hereinafter referred to as a "**Guarantor**", and both of which entities are hereinafter collectively referred to as the "**Guarantors**"), and (ii) secured by (among other agreements) a Mortgage dated as of the Closing Date from the Borrower to the Originator, and recorded in the land records of Oakland County, Michigan (the Mortgage, as the same may hereafter be amended, restated, or extended, is hereinafter referred to as the "**Mortgage**").

R-3. The Loan Agreement, the Note, the Guaranty, the Mortgage, and all other documents executed by Borrower or Guarantors in connection with the Loan and all related documents, as the same may be amended, restated, supplemented or otherwise modified from time to time (subject to the terms and conditions of this Agreement) are hereinafter sometimes collectively referred to as the "**Loan Documents**" (such term being intended to have the same meaning as is ascribed to it in the Loan Agreement).

R-4. The Participant has agreed to purchase on a non-recourse basis, an undivided ownership interest in the Loan upon the terms and subject to the conditions set forth in this Agreement.

R-5. Pursuant to the terms of this Agreement, the Originator and the Participant desire to set forth their respective obligations, covenants and agreements relating to the Loan and the security therefor.

R-6. For the convenience of the parties, the Loan Documents have been delivered to and taken in the name of the Originator on behalf of both the Originator and Participant, and the

Originator shall be responsible for the general supervision and management of the Loan, in accordance with, and subject to, the terms hereof.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties, intending to be legally bound, agree as follows:

1. **DEFINED TERMS**. Unless otherwise specifically defined herein, all capitalized terms used in this Agreement shall have the same meanings and definitions ascribed to them in the Loan Agreement. A listing of terms defined in this Agreement is set forth on **Schedule I** attached hereto. In addition, the following terms used in this Agreement shall have the meanings set forth in this Section:

(a) "**Participants**" means collectively the Participant and all other parties which at any time own a participation interest in the Loan during the term of this Agreement.

(b) "**Participation Agreements**" means, collectively, this Agreement and all other participation agreements in form and substance similar to this Agreement pursuant to which Participants acquire a Participation Interest in the Loan, excluding "blind participations" as described in Section 12.2 hereof.

(c) "**Required Consent**" means the prior written consent of the Originator and of Participants holding Actual Participation Percentages which, when aggregated with the Originator's Ownership Percentage exceed 50% of the total percentage interests in the Loan other than percentage interests of any Defaulting Participant (as hereinafter defined) (such total interests minus the interests of any Defaulting Participant being referred to herein as "**Non-Defaulting Percentage Interests**"); provided, however, that if the Originator's Ownership Percentage exceeds 50% of the Non-Defaulting Percentage Interests and there is at least one Participant which is not a Defaulting Participant, then "**Required Consent**" shall mean the prior, written consent of the Originator and at least one Participant which is not a Defaulting Participant; and provided further that if the Originator's Ownership Percentage exceeds 50% of the Non-Defaulting Percentage Interests, but there are no Participants which are not Defaulting Participants, then "Required Consent" shall mean the prior, written consent of the Originator only.

(d) "**Unanimous Consent**" means the prior written consent of the Originator and of each of the Participants which is not a Defaulting Participant.

2. **PURCHASE AND SALE OF PARTICIPATION.**

2.1. The Originator hereby sells, without recourse, representation or warranty, except as expressly set forth herein, to the Participant and the Participant hereby purchases from the Originator, commencing from the date hereof, an undivided ownership interest in the Loan in the percentage shown on **Exhibit A** attached hereto (each Participant's committed percentage interest in the Loan as shown on **Exhibit A** to each Participation Agreement is hereinafter referred to as its "**Committed Participation Percentage**", but as the same may be adjusted from time to time in accordance with the provisions of Section 6.2 of this Agreement and similar provisions of other Participation Agreements is hereinafter referred to as its "**Actual**

Participation Percentage"). The Participant hereby covenants and agrees that it is obligated to purchase its Committed Participation Percentage in all outstanding Advances made by the Originator under the Loan Agreement as of the date hereof, and that it is further obligated to fund its Committed Participation Percentage of any additional Advance to be made under the Loan Agreement, in an amount equal to its Committed Participation Percentage multiplied by the aggregate amount of such additional Advance. The Participant acknowledges that the Loan is a revolving credit facility and that Borrower has the right to repay any or all Advances made under the Loan Documents and, subject to the terms and conditions of the Loan Documents, to require the Originator to re-advance such repaid amounts.

2.2. There is no assurance that the full amount of the Loan shall be funded. For purposes of this Agreement, each Participant's ownership interest in the Loan shall be equal to its Actual Participation Percentage at any time multiplied by that amount of the Loan actually funded and outstanding at such time (each Participant's ownership interest in the Loan is herein its "**Participation Interest**").

2.3. The purchase price (the "**Purchase Price**") for each Participant's Participation Interest shall be equal to the product of (i) the total outstanding principal of the Loan together with all accrued interest and costs due and owing by Borrower under the Loan Agreement, calculated as of the date of funding, and (ii) the applicable Committed Participation Percentage. The Participant shall pay its Purchase Price to the Originator by wire transfer of immediately available funds in accordance with the Originator's wiring instruction attached hereto as **Exhibit B** on or before August 1, 2002.

2.4. As used in this Agreement, "**Advances**" means and includes the principal amount of each advance (or, if applicable, re-advance) of the Loan that is made by the Originator under the Loan Agreement. Advances include all amounts funded by the Originator as the result of a draw against a letter of credit issued by the Originator pursuant to the Loan Documents. The occurrence of an Event of Default under the Loan Documents shall not relieve the Participant of its obligations to advance to the Originator or reimburse the Originator for the Participant's Committed Participation Percentage of any draw under any letter of credit, which obligation shall be absolute and unconditional at all times during the term of this Agreement.

2.5. The "**Originator's Ownership Percentage**" shall be that percentage of the Loan determined by subtracting the aggregate Actual Participation Percentage of each of the Participants from one hundred percent (100%). The Originator shall be entitled to sell other or additional participation interests in and to the Loan on the terms provided in Sections 6.3 and 12.2 of this Agreement (subject, however, to the Minimum Originator's Ownership Percentage as specified therein).

2.6. Following a Participant Event of Default, the Participant's Actual Participation Percentage may be adjusted in accordance with the terms of Section 6.2 hereof.

3. **PARTICIPATION PROCEDURE**.

3.1. Upon Originator's receipt of the applicable Purchase Price from a Participant, such Participant's funding obligations with respect to the Loan for all Advances made by Originator prior to the date of funding, shall be deemed satisfied.

3.2. Originator shall receive and evaluate any subsequent requests from Borrower for Advances to be made under the Loan Agreement (each such request is herein an "**Advance Request**"). If Originator determines that Borrower's Request Advance is in sufficient detail and properly documented in accordance with the terms of the Loan Documents, including all required inspection reports, project status reports and completion budgets, and that Borrower is entitled to receive the requested Advance under the Loan Agreement, then Originator shall promptly provide the Participant with written notice of the Advance Request. Originator's notice to each Participant shall include (i) a summary of the Advance Request (showing percentage of completion for each phase), (ii) a copy of any approval issued by the Construction Inspector (as defined in the Loan Agreement) in connection with such Advance Request, (iii) the total amount of the Advance Request; (iv) the amount of such Participant's funding obligation relating to such Advance Request as calculated based on such Participant's Committed Participation Percentages; and (v) the due date for such Participant to fund its portion of the Advance Request (the "**Funding Date**"). The Participant shall be obligated to remit to Originator its portion of the Advance on or before its applicable Funding Date, but not sooner than one (1) Business Day following its receipt of the Originator's notice (including all items specified above). All payments to be made to Originator shall be made by wire transfer of immediately available funds in accordance with Originator's wiring instructions attached hereto as **Exhibit B**.

3.3. Each Participant's Participation Interest shall be evidenced by a "Participation Certificate" in the form of Exhibit C attached hereto and made a part hereof by this reference. The Originator shall issue a Participation Certificate to a Participant upon its receipt of the applicable Purchase Price from such Participant. If the Originator fails to deliver a Participation Certificate to any Participant as and when required under the Participation Agreements, the Originator's receipt of a Participant's payment of its Purchase Price shall evidence such Participant's Participation Interest and shall confer on such Participant an interest in all rights and benefits under the Loan and the Loan Documents, subject to the terms and conditions of such Participant's Participation Agreement.

4. INTEREST ON PARTICIPATION.

4.1. From and after the date of the Originator's receipt of a Participant's applicable Purchase Price, such Participant shall be entitled to receive with respect to its Participation Interest, interest calculated at the interest rate applicable under the Note (the "**Interest Rate**"), which is the Prime Rate (as defined below) plus one-quarter percent (¼%) per annum. As used herein the term "**Prime Rate**" refers to that interest rate set by the Originator from time to time as an interest rate base for borrowings. The Prime Rate is one of several interest rate bases used by the Originator. The Originator lends at rates above and below the Prime Rate.

4.2. Interest on a Participant's Participation Interest shall be calculated on the basis of a 360-day year factor applied to actual days elapsed, and, shall be adjusted on any date on which a change in the Originator's Prime Rate is effective.

4.3. If an Event of Default exists under the Loan Documents and Originator receives payment of interest under the Note at the Default Interest Rate (as defined in the Note) or if the Originator receives the payment of any late charge or late fee under the Loan Documents, then each Participant holding a Participation Interest shall be entitled to a portion of such default interest payment, late charge or late fee calculated based on such Participant's Actual Participation Percentage.

4.4. Notwithstanding any provision of this Agreement to the contrary, the Originator's obligation to remit payments of interest, late charges or late fees to the Participants under this Section 4 or any similar provision of the other Participation Agreements shall be expressly conditioned and contingent upon the Originator's receipt of such funds from or on behalf of the Borrower. Further, if and to the extent the Loan Documents provide that the Originator may elect how and in what order funds received from or on behalf of Borrower are to be applied to Borrower's obligations under the Loan Documents, the Originator's election shall be conclusive as to such application and the provisions of this Section 4 and similar provisions of other Participation Agreements shall apply only as to funds actually received from or on behalf of Borrower which are determined by the Originator to be applied to the payment of interest and/or late charges or late fees payable under the Loan Documents.

4.5. All payments to be made under the terms of this Section 4 shall be made by the Originator within the time periods described in Section 12 hereof.

5. PAYMENTS OF PRINCIPAL.

5.1. Other than the payment of interest, late charges and late fees as provided in Section 4 above (and similar provisions of other Participation Agreements), the repayment of the principal portion of the Participant's Participation Interest as provided in this Section 5 (and similar provisions of other Participation Agreements), and a one-half percent (½%) participation fee (a "**Participation Fee**") based on the Participant's "**Maximum Dollar Amount**" (such term meaning, with respect to each of the Participants, the maximum principal amount of the Loan times such Participant's Committed Percentage Amount), which shall be earned and payable to the Participant (subject only to the forfeiture and reimbursement provisions of Section 6.1 (and similar provisions of other Participation Agreements)) on the date of the Participant's payment of the applicable Purchase Price for its Participation Interest, the Participant shall not be entitled to receive any portion of the payment of any loan fees, additional fees, premiums or other payments that may be payable by Borrower in connection with the Loan. Notwithstanding the foregoing, if any Participant does not fund its applicable Purchase Price on or prior to October 1, 2002 the Participation Fee payable to such Participant (if any) shall be determined by the Originator in its sole discretion. No Participation Fee shall be paid by the Originator to a Participant which succeeds to the rights of the Participant under this Agreement as a result of an approved assignment under Section 16 hereof.

5.2. The Participant and the Originator agree that during the continuance of this Agreement, all payments of principal received by the Originator from or on behalf of the Borrower (hereinafter the "**Principal Payments**"), shall be applied as set forth in Section 12 hereof. Principal Payments may be derived from all or any portion of the following amounts received by the Originator in connection with the Loan:

(i) Principal repayments or prepayments (subject to the Participant's agreement to re-advance its share thereof if Borrower is entitled to the re-advance thereof pursuant to the Loan Documents).

(ii) Proceeds from the sale of the Loan (excluding amounts received by the Originator in respect of the sale of additional or other Participation Interests or other participations in the Loan).

(iii) Proceeds realized from the Property or any other property held as security for the Loan.

(iv) Payments received under the Guaranty, subject to the provisions of Section 5.3 below.

(v) Amounts received pursuant to Section 12 hereof (and similar provisions of other Participation Agreements).

5.3. Notwithstanding the foregoing or any other contrary provision of this Agreement, the Participant acknowledges that the Originator holds guarantees from the Guarantors for loans and obligations other than the Loan and the obligations arising under the Loan Documents, and agrees that payments received from the Guarantors shall be applicable to the Loan and/or the Loan Documents only to the extent such sums are either agreed by the Originator in writing on or after the date of receipt to be applicable to the Loan and/or the Loan Documents or are actually applied by the Originator to obligations owing in connection with the Loan in accordance with the Loan Documents.

5.4. Notwithstanding any provision of this Agreement to the contrary, if and to the extent the Loan Documents provide that the Originator may elect how and in what order funds received from or on behalf of Borrower are to be applied to obligations under the Loan Documents, the Originator's election shall be conclusive as to such application and the provisions of this Section 5 shall apply only as to funds received from or on behalf of Borrower which are determined by the Originator to be applied to the payment of principal under the Loan Documents.

5.5. All payments to be made under the terms of this Section 5 shall be made by the Originator within the time periods described in Section 12 hereof.

6. PARTICIPANT DEFAULT.

6.1. The failure of any of the Participants to pay when due any of its payment obligations to Originator in the manner and within the time frames set forth herein or in the other Participation Agreements shall constitute a default as it relates to said Participant (hereinafter, the "**Defaulting Participant**"). If the Defaulting Participant fails to cure such default within five (5) Business Days following Originator's delivery of notice of default (given in accordance with the provisions of Section 20 hereof), then said default shall constitute a "**Participant Event of Default.**" If a Participant Event of Default occurs within three (3) years from the date of its applicable Participation Agreement, the Defaulting Participant shall forfeit its Participation Fee in its entirety, and shall immediately upon demand of the Originator reimburse the Originator the

amount of such Participation Fee. Following a Participant Event of Default, the Originator shall be entitle to pursue any and all remedies available at law or in equity against the Defaulting Participant. The failure of any or all of the other Participants to pay when due any of its or their payment obligations shall not relieve the Participant of its obligations hereunder.

6.2. The Originator shall give written notice to the Participant of any Participant Event of Default relating to any or all of the other Participants. In the event of a Participant Event of Default and provided that the Originator does not elect to exercise the Purchase Option set forth in Section 6.3 below, the remaining Participants (other than the Defaulting Participant) and Originator shall be obligated to fund any unpaid obligation of the Defaulting Participant (including all amounts owing hereunder, whether in respect of Advances, amounts returned or refunded in accordance with the provisions of Section 12.4 (and similar provisions of other Participation Agreements), or otherwise), amounts owing for expenses under Section 14 hereof (and similar provisions of other Participation Agreements), or otherwise) (the "**Additional Funding Obligations**") on a pro-rata basis, provided however, that the aggregate funding obligation of each Participant shall be limited to each Participant's Maximum Dollar Amount, plus a pro rata share of expenses payable by each Participant under the provisions of Section 14 hereof (and similar provisions of other Participation Agreements). The Maximum Dollar Amount of a Participant may not be increased without such Participant's express prior written approval. The respective Additional Funding Obligations of the parties shall be calculated for each Participant by multiplying its Committed Participation Percentage times the dollar amount of the Defaulting Participant's unpaid obligation.

For example, if the Originator receives an Advance Request in the amount of $100.00, a Participant's Committed Participation Percentage immediately prior to paying its Additional Funding Obligation equals 20% (and such Participant pays $20.00 in respect of its Participation Interest) and the Defaulting Participant's unpaid obligation equals $20.00 (also representing a 20% Committed Participation Percentage), then such Participant would be obligated to fund an Additional Funding Obligation in the amount of $4.00 (.20 x $20.00 = $4.00), subject however to such Participant's Maximum Dollar Amount.

If the parties are required hereunder to pay any Additional Funding Obligations then the respective ownership interests of all parties in the Loan will be subject to adjustment as follows. Notwithstanding the Committed Participation Percentages set forth on **Exhibit A** to this Agreement and any other Participation Agreements, each Participant's Actual Participation Percentage shall be equal to the percentage of the aggregate amounts funded by the applicable Participant and still outstanding and unpaid, to the amount of the Loan actually funded and still outstanding. The Originator's Ownership Percentage shall also be recalculated based on the percentage of the funding obligations of the Originator actually funded and outstanding, and not reimbursed by any Participant, to the amount of the Loan actually funded and still outstanding. The adjustments to each Participant's Actual Participation Percentage will result in an increased Actual Participation Percentage for all non-defaulting Participants and a decreased Actual Participation Percentage for the Defaulting Participant. Following an adjustment to the Actual Participation Percentages, the Originator shall promptly issue new Participation Certificates in the form of **Exhibit C** reflecting said adjustments and the aggregate funded and outstanding amounts for each Participant.

Notwithstanding the adjustment to Actual Participating Percentages and the issuance of new Participation Certificates as a result thereof, a Defaulting Participant shall nevertheless remain liable for funding Advances based on its Committed Participation Percentage as shown on **Exhibit A** attached to this Agreement and any other Participation Agreements, and the Originator shall retain all rights against the Defaulting Participant, and may exercise any and all remedies set forth in this Agreement or available under applicable law, with respect to the obligations of the Defaulting Participant.

If each Participant which is not a Defaulting Participant has funded amounts equal to its Maximum Dollar Amount plus its share of expenses payable under Section 14 hereof (and similar provisions of other Participation Agreements), and the Borrower is nevertheless entitled to additional Advances, such Advances shall be made by the Originator, and the Originator's Ownership Percentage shall be increased, and each Participant's Actual Participation Percentage shall be reduced, accordingly, as provided above.

6.3. Following a Participant Event of Default, in addition to all other remedies provided for in this Agreement and under applicable law, the Originator shall also have the option to purchase the Participation Interest of the Defaulting Participant (the "**Purchase Option**") for an amount equal to the product of (A) the outstanding principal sum of the Loan and (B) the Defaulting Participant's Committed Participation Percentage, minus (C) all amounts owing by the Defaulting Participant to the Originator under its Participation Agreement, including the Participant's portion of any due and unfunded Advance Request and any obligated reimbursement of the Defaulting Participant's Participation Fee (for a Participant Event of Default occurring within three (3) years after the date of this Agreement) (herein the "**Option Purchase Price**"). If the Originator elects to exercise the Purchase Option then it shall give written notice of such election to the Defaulting Participant. The Originator's notice shall also include the amount of the Option Purchase Price and the closing date for the Purchase Option. On the closing date, the Originator covenants and agrees that it shall pay the Option Purchase Price to the Defaulting Participant and the Defaulting Participant covenants and agrees that it shall deliver to the Originator all original Participation Certificates issued by the Originator to the Defaulting Participant. Notwithstanding the foregoing, the parties agree that the Originator's payment of the Option Purchase Price to the Defaulting Participant shall constitute and evidence the Originator's purchase of the Participation Interest of the Defaulting Participant. Following the Originator's exercise of the Purchase Option and purchase of the Participant's Participation Interest of the Defaulting Participant, the Originator shall have the right to sell all or any portion of said Participant's Participation Interest to any existing Participant or any new Participant without obtaining the Required Consent of the parties.

7. **LOAN DOCUMENTS**. The Originator has delivered to the Participant certified duplicate originals or photocopies of fully executed originals of each of the Loan Documents. From time to time promptly after receipt thereof, the Originator shall also deliver to the Participant copies of all documentation required under the Loan Documents to be supplied by or on behalf of the Borrower to the Originator in connection with the Loan, and the security therefor (collectively, the "Collateral Materials"). The Participant acknowledges and agrees that it has reviewed and approved the Loan Documents and Collateral Materials received as of the date of this Agreement.

8. **NO WARRANTIES**. Except as otherwise provided in this Section 8, the Originator does not make any express or implied warranty of any kind with respect to the Loan, and the Originator assumes no responsibility with respect to the legality, enforceability or collectibility of the Loan, the Loan Documents, or any security for the Loan. The Originator assumes no responsibility for the financial condition of Borrower or any Guarantor, for the security value of any collateral, the sufficiency thereof, or for the performance of any obligations of Borrower or Guarantors. The Participant agrees and warrants that it has had full and free opportunities to inspect the Loan Documents and the Collateral Materials related to the Loan and has not relied on any statement by the Originator in entering into this Agreement and purchasing its Participation Interest in the Loan. The Originator makes the following express, limited warranties to the Participant:

8.1. Interest payable under the Note for periods after the date of this Agreement has not been paid in advance of the dates on which the same is due under the Loan Documents;

8.2. To the knowledge of the Bank, no default nor any Default or Event of Default (as defined in the Loan Documents) exists under the Loan Documents, except those which have been waived pursuant to the terms of the Waiver and Extension Agreement executed in connection with the Loan and dated as of the date hereof;

8.3. Except for interests granted under this Agreement and other Participation Agreements, the Originator owns the Loan and all rights related to the Loan; and

8.4. The Originator has the right and authority to sell the Participation Interest specified herein to the Participant, and to grant to the Participant all of the rights and interests provided for herein with respect to the Loan.

9. **NO PARTNERSHIP OR EXTENSION OF CREDIT**. Neither the execution of this Agreement, nor the sharing in the Loan or in any security for the Loan, nor any agreement to share in profits or losses arising as a result of this transaction, is intended to be, nor shall it be construed to be, the formation of a partnership or joint venture between the parties hereto. This Agreement and the Participant's Participation Interest created hereunder shall not be construed to be an extension of credit by the Participant to the Originator.

10. **MANAGEMENT AND DUTY OF CARE**. It is the intention of the Participant that the Originator supervise the collection and management of the Loan. The Originator shall not be liable under this Agreement to the Participant for any action taken or omitted or for any error in judgment, except for the Originator's breach of this Agreement or its own gross negligence, bad faith or willful misconduct. The Participant acknowledges that the Originator's obligations with respect to the Loan shall be no greater than the customary practices currently employed by the Originator in administering and servicing other loans covering commercial properties similar to the Property.

11. **POSSESSION OF LOAN DOCUMENTS AND MAINTENANCE OF ACCOUNTS**. At all times during the term of this Agreement the Originator shall maintain and keep proper books of account and records at its above office reflecting each Participant's

Participation Interest, which books and records shall be available to the Participants or their representatives for inspection and copying at Participants' expense at all reasonable times during normal business hours. The original Loan Documents shall be held by Originator for the ratable benefit and protection of the Participants, subject to the terms and conditions of this Agreement and the other Participation Agreements

12. **COLLECTIONS AND PAYMENTS**.

12.1. The Originator shall be entitled to collect and receive from Borrower or others all payments of interest, Principal Payments and late charges and late fees, if any, or other moneys due and payable with respect to the Loan at the time and in the manner specified in the Note, Loan Agreement or any other Loan Document, and shall give proper receipts therefor to the extent required by applicable law or the terms and conditions of the Loan Documents. The Originator shall, within one (1) Business Day following receipt and collection of any such sums, pay directly to each Participant its proportionate share of such sums received, less the expenses, if any, described herein, in accordance with the terms of this Agreement. The Originator's obligation to remit is only as to funds actually and unconditionally received and cleared. All payments to be made by the Originator to the Participant shall be made by wire transfer of immediately available funds in accordance with the Participant's wiring instructions attached hereto as **Exhibit D**.

(i) Upon payment of interest and/ or late charges, late fees or expenses by or on behalf of Borrower under the Note, the Originator shall pay to each Participant its share of the interest then due and/or the late charges, late fees or expenses in accordance with, and subject to the terms and conditions of, Section 4 of this Agreement (and similar provisions of other Participation Agreements).

(ii) Upon payment of any and all Principal Payments, the Originator shall pay to each Participant its share of such amounts in accordance with, and subject to the terms and conditions of, Section 5 of this Agreement (and similar provisions of other Participation Agreements).

12.2. The Originator shall be deemed to hold in trust each Participant's share in any such payments, subject to the terms and conditions of the Participation Agreements. The Originator shall also have the right to accept payment of the Loan in accordance with its terms and to execute proper satisfactions therefor to the extent required by applicable law or the terms and conditions of the Loan Documents and, subject to obtaining Required Consent of the parties to sell, assign or transfer the Loan and to execute proper assignments thereof. Upon payment in full or sale of the Loan (but excluding the sale of any additional participation interests in the Loan), the Originator shall promptly account for and pay over to each Participant its share thereof, in accordance with, and subject to the terms and conditions of, the Participation Agreements. In addition to the rights set forth in Section 6.3, the Originator shall also have the right, without consent or approval of any Participant, to sell other or additional participation interests in the Loan on any of the following terms:

(i) the Originator may sell one or more participation interests in the Loan to any other bank, insurance company or other participant on the same terms as are

provided in this Agreement by having such entity execute a Participation Agreement in substantially the form hereof; and/or

(ii) the Originator may sell one or more participation interests in the Loan on such terms as the Originator may deem appropriate, provided that the Originator retains sole right and authority at all times to act on behalf of any such additional participants with respect to the Loan and this Agreement (i.e., such participations shall be "blind" participations), all of which participations shall be aggregated under and counted toward the Originator's Ownership Percentage; provided, however, that such blind participations shall not be counted toward satisfying the Minimum Originator's Ownership Percentage, which must be held exclusively for the account of Originator (and/or its affiliate entities owned by Mercantile Bankshares Corporation).

Notwithstanding the foregoing provisions of this Section 12.2 or of any other provision of this Agreement, unless and until the Loan is paid in full or sold in accordance with the provisions of this Agreement, the Originator shall maintain and hold for its own account (excluding blind participations) an Originator's Ownership Percentage equal at all times to at least ten percent (10%) of the Loan (the "**Minimum Originator's Ownership Percentage**").

12.3. In accordance with, and subject to the terms and conditions of, the Loan Documents, the Originator may collect, sue for, settle on, compromise, and receive the net proceeds, after fees, expenses and costs of collection, of any condemnation awards and payments which may become and be payable under any and all policies of insurance for the benefit of the Originator, as mortgagee, in connection with the Loan. Such proceeds and payments shall be applied in accordance with the Loan Documents and, if the Originator is entitled to determine the application of such proceeds and payments in accordance with the Loan Documents, such determination shall be in the sole discretion of the Originator.

12.4. If the Originator is compelled to return or refund any payment or sum previously received from Borrower or any Guarantor, by reason of the same being declared a preferential transfer in a bankruptcy proceeding, or for any other reason, each Participant shall, on demand of the Originator, immediately reimburse the Originator an amount equal to the sum of any such amount returned or refunded multiplied by the respective Participant's Committed Participation Percentage.

13. **LOAN DEFAULTS AND EXERCISE OF ENFORCEMENT RIGHTS AND REMEDIES**. The Originator shall from time to time, when requested by a Participant, render information to such Participant as to the status of any matter relating to the Loan and shall, regardless of whether it is requested to do so, promptly notify each of the Participants of the existence and nature of any facts or events of which the Originator has actual knowledge which in the Originator's reasonable judgment (a) materially impair the security for the Loan, or (b) constitute an event of default under any of the Loan Documents. If any such impairment or event of default shall occur, the Originator, after advising each of the Participants of such course of action, shall (a) use reasonable efforts to cause Borrower or Guarantors to promptly cure each such event of default or impairment and (b) take such actions as the Originator deems prudent, including the exercise of such other rights and remedies as may be exercised under the Loan Documents, including, without limitation, the institution of foreclosure or other legal

proceedings. If the Originator forecloses or takes possession of any property encumbered by the Mortgage, the Originator shall notify the Participants of a program for the management and supervision of, and for the ultimate disposition of, such property, subject to Required Consent of the parties; if any Participant fails to respond to the Originator's proposal within seven (7) days from the Originator's notice to such Participant, then such Participant shall be deemed to have approved the Originator's proposal for the management and supervision of such property.

14. **EXPENSES**. From all payments due to the Participants under the Participation Agreements, the Originator may make proportionate deductions (based on each Participant's Committed Participation Percentage) for out-of-pocket expenses reasonably incurred by the Originator and actually paid by the Originator in connection with the collection and enforcement of the Loan and management of the Property, including reasonable fees of counsel and other agents who may be employed by the Originator, to the extent not otherwise reimbursed, up to an aggregate amount of $25,000 without the Required Consent of the parties. Expenses incurred or which are expected to be incurred in excess of $25,000 are subject to Required Consent of the parties; provided, however, that once Required Consent of the parties has been received for an expense or expenses, such approved expense and amounts shall no longer be counted against the $25,000 limitation set forth in this Section 14 (or similar provisions of other Participation Agreements). The Participant agrees, on request of the Originator, to reimburse the Originator for the Participant's proportionate share of any such expenses not so deducted calculated based on the Participant's Committed Participation Percentage. The Originator shall provide a statement and supporting documentation with any such request. Expense payments shall be reimbursed to the Participants in accordance with, and subject to the requirements set forth in, Section 12 hereof.

15. **ACQUISITION FOR INVESTMENT**. The Participant represents that it has acquired its Participation Interest for its own account for the purpose of investment and not with any present intention of selling its Participation Interest, but the Participant shall, nevertheless, have the right, subject to the provisions of Section 16 hereof, to sell or otherwise dispose of its Participation Interest (or any portion thereof) subject to the terms thereof (including obtaining Required Consent of the parties). In no event shall any subsequent holder of all or any portion of the Participant's Participation Interest have any greater rights with respect thereto than are granted to the Participant under this Agreement and such holder shall take the Participant's Participation Interest (or any portion thereof) subject to the terms and conditions of this Agreement, regardless of the terms of any agreement to the contrary between the Participant and such subsequent holder.

16. **ASSIGNMENTS**. Except as otherwise provided under this Agreement and the other Participation Agreements, neither the Originator nor any Participant shall sell, pledge, assign or otherwise transfer its rights or obligations under any of the Participation Agreements, the Loan or the Loan Documents without obtaining Required Consent of the parties (except that such consent shall not be required with respect to entities that have succeeded to the assets and liabilities generally of the parties hereto). No permitted transfer or assignment shall be effective unless and until an original or duplicate original written transfer or assignment has been filed with the Originator, and the transferee has executed such documentation as may be reasonably required by the Originator to evidence the agreement of such transferee to be bound by the terms of its predecessor's Participation Agreement. When any permitted transfer or assignment

becomes effective, the transferee or assignee shall, for all purposes of this Agreement, have all rights and interests of the assignor hereunder. The provisions of this Section shall not limit or impair the right of the Originator to sell other or additional participations in the Loan on the terms described in Sections 6.3 and 12.2 hereof.

17. **EXPRESS RESTRICTIONS.**

17.1. Without limiting the generality of any of the provisions of this Agreement, the Originator shall not, except as otherwise provided in Section 24 of this Agreement (and similar provisions of other Participation Agreements), without Required Consent of the parties, amend or waive any material provision of any of the Loan Documents, or consent with respect to any material departure by the Borrower or Guarantors therefrom. In addition, the Originator shall not, except as otherwise provided in Section 24 of this Agreement (and similar provisions of other Participation Agreements), without Unanimous Consent of the parties, do any of the following:

(a) increase, extend or reinstate after termination, the obligation of the Originator to make advances to the Borrower under the Loan Agreement;

(b) postpone or delay any date fixed by any Loan Document for any payment of principal, interest, fees or other amounts due to the Originator, or postpone or delay any date fixed by this Agreement for any payment of any amounts due to any of the Participants under the Participation Agreements, or decrease the time within which the Originator and the Participants may fund obligations under the Loan Documents and the Participation Agreements;

(c) reduce the principal of, or the index upon which interest is calculated on, the Loan, or any fees or other amounts payable hereunder or under any other Loan Documents;

(d) change any of the Actual Participation Percentages other than pursuant to the terms of the Section 6.3 hereof (and similar provisions of other Participation Agreements) or in connection with an assignment or sale of an additional participation under Section 16 or Section 12.2 hereof (and similar provisions of other Participation Agreements);

(e) release any Guarantors or any collateral for the Loan except as provided in the Loan Documents;

(f) release all or substantially all of Property subject to the Mortgage; or

(g) amend this Section 17.1 or any provision herein providing for Unanimous Consent or Required Consent.

No amendment, waiver or consent shall, unless in writing and signed by the Originator in addition to the Participants giving Unanimous Consent or Required Consent, as the case may be, affect the rights or duties of the Originator under any Participation Agreement or any of the Loan Documents. Fees and charges owing exclusively to the Originator and not to

any of the Participants under the Participation Agreements may be amended, increased or waived in the sole discretion of the Originator.

17.2. The Participants and the Originator, in good faith, shall agree or attempt to reach agreement on the taking of any action requiring Unanimous Consent or Required Consent pursuant to the terms of this Agreement within such reasonable period of time as the circumstances prescribe. If the Participants and the Originator are unable to agree upon the taking of any action requiring Unanimous Consent or Required Consent pursuant to the terms of this Agreement and/or the other Participation Agreements, within such reasonable period of time as the circumstances prescribe, then Originator shall be permitted to take only those actions it deems necessary pursuant to the Loan Documents or applicable law to preserve the rights of the Originator and the Participants against the Borrower, the Guarantors and the Collateral, without impairing the rights of the Participants under Section 17.1, until the Participants and the Originator are able to reach such agreement.

Whenever this Agreement requires Unanimous Consent or Required Consent, the same shall be deemed to have been given by a Participant on the day which is seven (7) Business Days after the Originator has given notice to such Participant of the Originator's request for such consent, unless within such seven (7) Business Day period such Participant shall provide written notice to the Originator of such Participant's refusal to consent, which notice shall include the reasons for such refusal.

18. **INSURANCE**. The Originator will ascertain that policies of insurance as are required by the Loan Documents, with premiums fully prepaid, are in full force and effect with respect to the Borrower, the Guarantors and any property encumbered by any of the Loan Documents, such insurance to protect the respective interests of the parties hereto and to the other Participation Agreements. Other than its agreement to monitor the obligations of Borrower and the Guarantors to maintain insurance coverages as provided in the Loan Documents, the Originator has no obligation to insure the Property.

19. **LEGAL PROCEEDINGS**. If the Originator shall commence any legal proceedings against Borrower, any or all of the Guarantors, the Property, or any other security for the repayment of the Loan, the Originator shall from time to time provide the Participants with copies of all documents in connection therewith and keep the Participants fully informed as to the progress thereof. The Participant shall be responsible for and agrees to pay, upon presentation of a statement and supporting documentation therefor, its pro-rata share, based on its Committed Participation Percentage, of reasonable attorney's fees, court costs and out-of-pocket expenses actually incurred by the Originator in connection with such proceedings and not otherwise reimbursed (as of the date of such statement) to the Originator by Borrower, any Guarantor or any other party, subject, however, to the restrictions contained in Section 14 hereof (and similar provisions of other Participation Agreements). All sums realized or collected pursuant to legal proceedings shall be deemed Payments as provided in Section 5 hereof (and similar provisions of other Participation Agreements) and shall be promptly distributed among the parties in accordance with Section 12 hereof (and similar provisions of other Participation Agreements). If the Originator takes possession of the Property, either through foreclosure proceedings or otherwise, the Originator and each Participant shall pay its pro-rata share of all

expenses relating to the Property in accordance with their respective interests in the Loan and shall share all income as hereinbefore provided.

20. **NOTICES**. Each notice, request, demand, consent, approval or other communication required hereunder shall be in writing and shall be deemed to have been given (i) if made by hand delivery or nationally recognized overnight delivery service (which shall be deemed delivered upon execution of a receipt for such delivery at the address designated for the receiving party), (ii) by certified mail, postage prepaid, return receipt requested (which shall be deemed delivered two (2) days after posting in the mails in this manner), or (iii) by telecopier (which shall be deemed delivered upon the sending party's receipt of a printed confirmation of receipt) addressed to the party for whom it is intended at the address set forth below:

If to Bank:	Mercantile-Safe Deposit and Trust Company Two Hopkins Plaza Baltimore, Maryland 21201 Attn: Bruce D. McLean, Senior Vice President Telecopier No.: (410) 237-5703
With a copy to:	Ballard Spahr Andrews & Ingersoll, LLP 300 E. Lombard Street 19th Floor Baltimore, Maryland, 21202 Attn: Christopher J. Fritz, Esquire Telecopier No.: (410) 528-5650
If to Participant:	The Columbia Bank 10480 Little Patuxent Parkway Columbia, Maryland 21044 Attn: David Gramil Telecopier No.: (410) 730-6178
With a copy to:	Semmes, Bowen & Semmes, P.C. 250 West Pratt Street Baltimore, Maryland 21201 Attn: Christopher R. West, Esquire Telecopier No.: (410) 539-5223

or to such other address with respect to any party as such party shall notify the other in writing. The Originator agrees to send to the Participant a copy of any written notice given or received by it pursuant to the terms of the Loan Documents.

21. **MANNER OF PAYMENTS**. Any and all payments to be made to or by the Originator and the Participant shall be made by wire transfer of immediately available funds in accordance with the wiring instructions attached hereto as Exhibit B and Exhibit C, as applicable and shall be made no later than 1:00 p.m. (Baltimore time) on the date specified. Except as otherwise set forth in this Agreement, all payments to be made hereunder shall be made on the

next Business Day immediately following either (i) the date giving rise to such payment obligation, or (ii) the date notice is deemed given pursuant to Section 20, of such payment obligation. Any funds received by the Originator after 1:00 p.m. (Baltimore time) shall be deemed to have been received on the following Business Day.

22. **MISCELLANEOUS**.

22.1. If any one or more of the provisions contained in this Agreement, or any documents or agreements delivered hereunder should be deemed invalid, illegal or unenforceable in any respect, the remainder of this Agreement and application of such provision to other parties or circumstances shall not be affected thereby, and shall be enforced to the maximum extent permitted by law.

22.2. Subject to the provisions of Section 15 hereof, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

22.3. This Agreement may not be altered or modified in any manner and none of its provisions may be waived except by agreement in writing executed by each party hereto.

22.4. This Agreement may be executed by the parties hereto individually, or any combination of the parties hereto in several separate counterparts, each of which shall be an original and all of which together shall constitute one and the same Agreement.

22.5. The headings of the various sections and paragraphs hereof are inserted for convenience of reference only and shall not affect the interpretation of this Agreement.

22.6. This Agreement shall not be construed for or against either of the parties based upon who drafted this Agreement.

22.7. This Agreement shall be construed, interpreted and enforced in accordance with the laws of Maryland as the same are in effect from time to time. Any action or proceeding arising hereunder shall be brought in the courts of Maryland; provided, however, that if any such action or proceeding arises under the Constitution, laws or treaties of the United States of America, or if there is a diversity of citizenship between the parties thereto, so that it is to be brought in a United States District Court, it shall be brought in the United States District Court for the District of Maryland sitting in Baltimore, Maryland. The Participant and the Originator hereby consent to the jurisdiction and venue of the courts of Maryland or the United States District Court for the District of Maryland.

22.8. **EACH PARTY HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH THE ORIGINATOR AND ANY PARTICIPANT MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO THE LOAN AND/OR THIS AGREEMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY**

AND VOLUNTARILY MADE BY EACH PARTY HERETO, AND THE PARTIES HERETO HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT.

23. **RIGHT TO INSPECT PROPERTY AND CONSULT WITH BORROWER.**

Upon the reasonable request of any Participant, the Originator will, to the extent of the rights conferred on the Originator by the Loan Documents, make arrangements for such Participant to (a) inspect the Property (as defined in the Mortgage), and (b) consult with the Borrower regarding the Loan.

24. **CALL RIGHTS.** Notwithstanding any other provision of this Agreement to the contrary, including any provision premised upon Required Consent or Unanimous Consent, any Participant may, upon written notice to the Originator given at any time between February 1, 2005 and February 28, 2005, direct that the Originator exercise its rights to require mandatory prepayment of the Loan by the Borrower under the terms of Section 5 of the Note. The Originator shall not be liable for the Borrower's failure to honor any such demand for mandatory prepayment. Once such a demand has been made by the Originator, all issues relating to foreclosure or exercise of remedies shall be subject to the other provisions of this Agreement and the other Participation Agreements, including any provisions premised by their terms upon Required Consent or Unanimous Consent. The Originator shall be entitled, as an alternative to complying with such direction by a Participant, to repurchase such Participant's Participation Interest on the same terms as are provided in Section 6.3 hereof (and similar provisions of other Participation Agreements).

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties under seal as of the day and year first-above written.

WITNESS/ATTEST:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____ (SEAL)
Bruce McLean,
Senior Vice President

THE COLUMBIA BANK

By: _____ (SEAL)
David Gramil,
Vice President

EXHIBIT A
Participation and Ownership Interests in Loan

Participant	Committed Participation Percentage	Maximum Dollar Amount
The Columbia Bank	7.608695652%	$3,500,000

EXHIBIT B
Originator's Wiring Instructions

Mercantile/Baltimore - ABA #052-000-618

Wire Amount: $_____

Ref: Participation Interest for Novi/Fox Run –
Loan #574359609701 – Phone advise Ora Stokes @ (410) 237-5101
upon receipt.

EXHIBIT C
Form of Participation Certificate

PARTICIPATION CERTIFICATE - NO. _____

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (the "**Originator**") hereby certifies pursuant to Section 3 of that certain Participation Agreement dated _____ ____, 2002 (the "**Participation Agreement**"), between the Originator and _____ (the "**Participant**") that it has received from the Participant the sum of _____ representing the purchase price of the Participant's interest in an advance (or, if applicable, re-advance) of a loan in the aggregate original principal amount not to exceed $46,000,000 (the "**Loan**") by the Originator to Novi Campus, LLC (the "**Borrower**"), evidenced by a Promissory Note from the Borrower to the Originator (the "**Note**"). Advances (and, if applicable, re-advances) of the Loan to the Borrower are governed by the terms of a Construction Loan Agreement between the Borrower and the Originator dated February 12, 2002 (the "**Loan Agreement**"). The Note is guaranteed and secured pursuant to the "**Loan Documents**" defined and described in the Participation Agreement.

1. This Certificate evidences the amount of the Participation Interest purchased by the Participant and is issued pursuant to the terms and conditions of the Participation Agreement, pursuant to which the Participant purchased an undivided _____ percent (_____%) ownership interest in the Loan in accordance with, and for the amounts as stated in, the Participation Agreement.

2. The total amount of the Loan advanced (or, if applicable, re-advanced) as of this date by the Originator to the Borrower pursuant to the Loan Agreement is: _____.

3. As of this date, the Participant has purchased its Participation Interest in the Loan in the cumulative principal amount of _____.

This Certificate may be transferred, but only on the books of the Originator and only in accordance with the provisions of the Participation Agreement, upon surrender hereof duly endorsed. The registered owner of this Certificate shall be conclusively presumed to be the absolute owner hereof.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By:_____
Name:_____
Title:_____

DATED at Baltimore, Maryland
_____ ___, _____

EXHIBIT D
Participant's Wiring Instructions

The Columbia Bank
Columbia, Maryland
ABA #055-002-338
Account Name: Novi Campus, LLC
Account Number: 1257552
Attention: Loan Servicing

SCHEDULE I
Defined Terms

Defined Terms	See Section
Actual Participation Percentage	2.1
Additional Funding Obligation	6.2
Advances	2.4
Advance Request	3.2
Agreement	Introduction
Borrower	R-1
Closing Date	R-1
Committed Participation Percentage	2.1
Defaulting Participant	6.1
Funding Date	3.2
Guarantor	R-2
Guaranty	R-2
Interest Rate	4.1
Loan	R-1
Loan Documents	R-3
Maximum Dollar Amount	5.1
Minimum Originator's Ownership Percentage	12.2
Mortgage	R-2
Note	R-2
Option Purchase Price	6.3
Originator	Introduction
Originator's Ownership Percentage	2.5
Participant	Introduction
Participant Event of Default	6.1
Participation Certificate	3.3
Participation Fee	5.1
Participation Interest	2.2
Prime Rate	4.1
Principle Payments	5.2
Purchase Option	6.3
Purchase Price	2.3

AMENDMENT TO PARTICIPATION AGREEMENT

THIS AMENDMENT TO PARTICIPATION AGREEMENT (this **"Amendment"**) is executed as of the 22nd day of December, 2006 by and between MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation (the **"Bank"**), and THE COLUMBIA BANK, a Maryland banking corporation (the **"Participant"**).

RECITALS

R-1. On February 12, 2002 (the "**Closing Date**") Bank agreed to lend, on a revolving credit basis, to Novi Campus, LLC, a Maryland limited liability company (the **"Borrower"**), the principal sum of Forty-Six Million Dollars ($46,000,000) (the **"Loan"**) in accordance with the terms of a Construction Loan Agreement dated as of the Closing Date entered into between the Borrower and the Bank (the **"Loan Agreement"**).

R-2. The Loan to the Borrower is evidenced by a Revolving Loan Note dated as of the Closing Date made by Borrower to the order of the Bank (as amended, the **"Note"**). The Borrower's obligations under the Note are (i) guaranteed pursuant to the terms of a Guaranty Agreement dated as of the Closing Date executed by Erickson Retirement Communities, LLC and Erickson Group, LLC, each a Maryland limited liability company (the **"Guarantors"**) for the benefit of the Bank, its successors and assigns (as amended, the **"Guaranty"**), and (ii) secured by (among other agreements) a Mortgage dated as of the Closing Date from Borrower to the Bank, and recorded in the land records of Oakland County, Michigan (as amended, the **"Mortgage"**).

R-3. The Loan Agreement, the Note, Guaranty, the Mortgage, and all other documents executed by the Bank or the Borrower in connection with the Loan and all related documents, as the same may be amended, restated, supplemented or otherwise modified from time to time (subject to the terms and conditions of this Agreement) are hereinafter sometimes collectively referred to as the "Loan Documents" (such term being intended to have the same meaning as is ascribed to it in the Loan Agreement).

R-4. Pursuant to a Participation Agreement dated as of July 31, 2002 (the **"Participation Agreement"**), Participant agreed to purchase on a non-recourse basis, an undivided 7.60870% ownership interest in the Loan and the security therefor.

R-5. Bank and Participant now desire to increase the Participant's ownership interest in the Loan and the security therefor to 13.04348%.

AGREEMENTS

NOW THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Recitals are incorporated by reference herein as material terms of this Amendment and shall be binding on the parties hereto.

2. The terms of this Amendment shall govern and control over any contrary or inconsistent terms of the Participation Agreement.

3. Unless otherwise specifically defined herein all capitalized terms used in this Amendment shall have the same meanings and definitions ascribed to them in the Participation Agreement.

4. Exhibit A to the Participation Agreement is hereby replaced by Exhibit A to this Amendment.

5. The Participant's Participation Percentage is hereby increased from 7.60870% to 13.04348%. The parties agree that there shall be no additional fee payable to Participant in connection with the increase in Participant's Participation.

6. Except as expressly set forth herein, the Bank shall have no obligations under this Amendment, and the Bank may exercise all rights and remedies provided for in the Participation Agreement and/or in the Loan Documents upon the occurrence of any default of Event of Default hereunder or thereunder.

7. This Amendment is only an agreement amending and modifying certain provisions of the Participation Agreement. All of the provisions of the Participation Agreement are incorporated herein by reference and shall remain and continue in full force and effect as amended by this Amendment. The Participant hereby ratifies and confirms all of its obligations, liabilities and indebtedness under the provisions of the Participation Agreement as amended by this Amendment.

8. This Amendment shall be governed by the laws of the State of Maryland and may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts shall be deemed to be an original and all taken together shall constitute one and the same instrument.

9. This Amendment shall be binding upon and inure to the benefit of the Bank, Participant and their respective successors and assigns.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have duly executed this Agreement under seal as of the day and year first-above written.

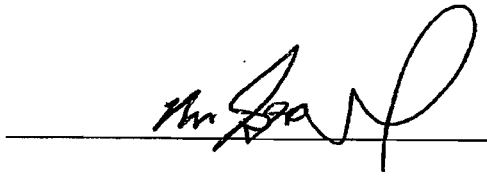
WITNESS/ATTEST:

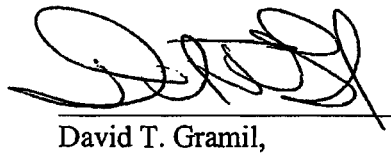
MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

(SEAL)

Bruce D. McLean
Senior Vice President

THE COLUMBIA BANK





(SEAL)

David T. Gramil,
Vice President

EXHIBIT A
Participation and Ownership Interests in Loan

Participant	Committed Participation Percentage	Maximum Dollar Amount
The Columbia Bank	13.04348%	$6,000,000

EXHIBIT 24

"Management Agreement"

1. Amended And Restated Management And Marketing Agreement

2. Management And Marketing Agreement

Bank Of America - CD#13 - Control ID#1133

FOX RUN VILLAGE
AMENDED AND RESTATED
MANAGEMENT AND MARKETING AGREEMENT

THIS AMENDED AND RESTATED MANAGEMENT AND MARKETING AGREEMENT (this "Agreement") is made as of the 13th day of February, 2004 between FOX RUN VILLAGE, INC., a Maryland corporation (hereinafter referred to as "FRV"), and ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company having offices at 701 Maiden Choice Lane, Catonsville, Maryland 21228 (hereinafter referred to as "Manager").

RECITALS

Pursuant to a Master Lease and Use Agreement dated February 12, 2002 (together with all amendments, the "Master Lease") as thereinafter amended, by and between FRV and Novi Campus, LLC ("Owner"), Owner leases to FRV certain property and improvements located in Novi, Michigan (the "Premises"). FRV operates on the Premises a continuing care retirement community known as Fox Run Village (the "Community").

In connection with certain negotiations with the United States Internal Revenue Service (the "IRS") regarding FRV's application for status as a 501 (c)(3) tax-exempt organization (the "Application"), the IRS requested that FRV cause certain amendments to be made to the Management Agreement, as a condition of approval of the Application.

Recognizing that significant benefits would be realized by FRV and the Community, should the Application be approved, FRV and Manager desire to amend and restate the Management Agreement on the terms contained herein.

NOW THEREFORE, in consideration of the premises, the mutual promises herein contained and other good and valuable consideration, the adequacy and sufficiency of which are acknowledged by the parties hereto, FRV and Manager agree as follows:

WITNESSETH

1. DEFINITIONS

For the purposes of this Agreement, the following terms have the indicated meanings:

Applicable Standards - All laws, rules, regulations, court orders, or other applicable governmental or quasi-governmental requirements, and all applicable contractual obligations.

Capital Budget - The budget to be prepared by Manager pursuant to Section 5.4 of this Agreement.

Community Employees - Shall have the meaning given such term in Section 8.1 of this Agreement.

Management Fee - The fee payable to Manager pursuant to Section 4.3 of this Agreement.

Management Personnel - Shall have the meaning given such term in Section 9.1 of this Agreement.

Management Services - Those services as may be required from time to time to coordinate the operation of the Community as a continuing care community, including all residential, medical, nursing, recreational, commercial and other uses incidental thereto, in a manner consistent with Applicable Standards and in accordance with the terms and limitations of this Agreement, all as more particularly described in Article 3 of this Agreement.

Master Lease - That certain Master Lease and Use Agreement dated February 12, 2002 as thereafter amended, by and between FRV and Owner.

Operating Budget - The budget to be prepared by Manager pursuant to Section 5.3 of this Agreement.

Owner – Novi Campus, LLC and its successors and assigns as owner of the Community.

Residence and Care Agreement - The continuing care contract executed between FRV and each Resident of the Retirement Community detailing the residential and other rights and obligations of the Resident and the rights and obligations of FRV.

Resident - A person that occupies a residential unit in the Community pursuant to a Residence and Care Agreement.

Working Capital Loan - That certain loan made by Owner to FRV pursuant to the Working Capital Loan Agreement dated February 12, 2002, as thereafter amended.

2. REPRESENTATIONS AND WARRANTIES

2.1. Representations and Warranties of Manager. Manager hereby represents and warrants to FRV that Manager is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Maryland; is qualified to do business in the State of Michigan; and has full power and authority to carry on its business as it is now being conducted, and

to enter into and perform its obligations under this Agreement and under the other agreements, instruments, or documents to be entered into pursuant to or in connection with this Agreement.

2.2. Representations and Warranties of FRV. FRV hereby represents and warrants to Manager that FRV is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland; is qualified to do business in the State of Michigan; and has full corporate power and authority to carry on its business as it is now being conducted, to own or hold under lease the properties and assets it now owns or holds under lease and to enter into and perform its obligations under this Agreement and under the other agreements, instruments, or documents to be entered into pursuant to this Agreement.

2.3. Master Lease. FRV and Manager acknowledge and agree that this Agreement is subject and subordinate to the terms of the Master Lease such that this Agreement shall automatically terminate upon the termination of the Master Lease. Nothing contained in this Agreement or any other agreement between FRV and Manager is intended to modify FRV's obligations under the Master Lease.

3. DUTIES OF MANAGER

3.1 Engagement. FRV hereby hires Manager as its exclusive manager of the Community, and Manager hereby agrees to furnish Management Services for the Community; provided, however, nothing in this Agreement shall be construed to preclude FRV from engaging other persons to provide legal, financial, design, consulting and other services, in FRV's sole discretion. Without limiting the generality of the foregoing, Management Services shall include the obligations listed in this Article 3.

3.2. Certification and Licensure.

3.2.1. Manager shall prepare any annual disclosure statements and application(s) on behalf of FRV to be presented periodically to any applicable governmental authorities regulating CCRCs or any other applicable governmental agencies for a certificate(s) of authority for operation of the Community as a continuing care facility, or any expansions or changes therein. Manager shall maintain in full force and effect all necessary approvals for the operation of the Community's nursing facility, pursuant to the Certificate of Need issued to Manager by the appropriate governmental authority, as renewed and amended from time to time.

3.2.2. Manager shall prepare and FRV shall submit, and Manager shall maintain in full force and effect, all other necessary federal, state and local approvals for the operation of the Community as may be required from time to time, as renewed and amended from time to time.

3.2.3. Manager covenants that Manager shall use its best efforts to prevent any permits, rights, franchises or privileges necessary or desirable for the operation of the Community from lapsing or being forfeited so long as the same shall be necessary or desirable for

the operation of the Community, and that Manager will use its best efforts to procure the extension or renewal of each and every right, franchise or privilege so expiring and necessary or desirable for the operation of the Community. Manager shall provide written notice to FRV of a threatened or pending default in connection with any permit, right, franchise or privilege relating to the Community.

3.3. Conduct. Manager shall manage the Community in a prudent, businesslike manner, so as to enhance the reputation of the Community and the continued growth of the Community. Manager shall not take any action or follow a course of conduct that is not in compliance with any Applicable Standard or which will or may cause the Community to lose its certifications or licenses under the terms of all applicable laws, rules or regulations.

3.4. Communication With FRV. Manager shall communicate with FRV at least monthly with respect to all material issues affecting the operation and management of the Community. Manager agrees to cause a representative of Manager to attend meetings with FRV at any time or times during normal business hours as requested by FRV. In addition, Manager shall provide immediate written notice to FRV of any threatened or pending default relating to any obligation of Manager under this Agreement.

3.5. Employment and Contracting of Personnel. As more fully set forth in Articles 8 and 9 hereof and in accordance with the Operating Budget, Manager shall investigate, hire or contract with, supervise and discharge all personnel necessary and appropriate for the operation of the Community. Manager shall prepare, execute, and file all forms, reports, and returns required by law in connection with the employment of personnel at the Community, whether by FRV or by Manager, including unemployment insurance, workmen's compensation insurance, disability benefits, social security, and other similar insurance benefits or taxes now in effect or hereafter imposed.

3.6. Records and Reports.

3.6.1. Manager shall establish and maintain a comprehensive system of records, books, and accounts for the Community in a manner satisfactory to FRV and as necessary to allow FRV to comply with FRV's obligations under the Master Lease pertaining to the maintenance of books, records, and accounts.

3.6.2. With respect to each fiscal year ending during the term of this Agreement, Manager shall have a financial report of the Community for each fiscal year or any part thereof prepared by a certified public accountant based upon the preparer's examination of the books and records of the Community. Manager agrees to make available to FRV its documentation relating to monthly billing, including reimbursable expenses if requested. The report shall be (i) prepared in accordance with generally accepted accounting principles, consistently applied, and generally accepted auditing standards, (ii) certified by the preparer and (iii) submitted to FRV within one hundred and twenty (120) days after the end of the fiscal year. FRV shall cooperate fully with Manager and such preparers in the preparation of such reports.

3.6.3. By the twenty-fifth (25th) day of each month, Manager shall furnish reports for the month preceding, to FRV, as follows:

(i) a report (on a cash or modified accrual basis) that compares actual and budgeted income and expenses for the month and for the "year-to-date",

(ii) a monthly cash flow report,

(iii) a report showing an aged schedule of accounts receivable and accounts payable,

(iv) an analysis of escrow deposits and monthly cash reconciliation,

(v) an itemized list of all monthly fee delinquencies as of the twentieth (20th) day of the current month, and

(vi) an occupancy report, in a format acceptable to FRV.

3.6.4. Manager shall assist FRV in the timely and competent preparation of FRV's federal and state income tax returns. In addition, Manager shall cause any reports required to be made under the Medicare or Medicaid programs (or any successor programs) of the federal Department of Health and Human Services or by the Commonwealth in which the Community is located to be prepared in a timely and competent manner.

3.6.5. Manager shall prepare such additional reports, statements or certifications as FRV may reasonably request from time to time.

3.7. Maintenance and Repairs.

3.7.1. Manager shall cause a preventative maintenance schedule to be developed, which schedule shall include, but not be limited to, periodic inspections of the residential units of the Community; residency commencement and termination check lists; inventory control, common area maintenance; equipment maintenance; exterior maintenance on a seasonal basis; and painting, decorating, and replacement time tables as necessary within the limits of the Operating Budget, all in accordance with the requirements of the Master Lease.

3.7.2. Manager shall cause the buildings, appurtenances, equipment and grounds of the Premises to be maintained and repaired in good operating condition within the preventative maintenance schedule and within the limits of the funds available therefor in the Operating Budget.

3.8. Service Requests of Residents. Manager shall maintain businesslike relations with Residents whose service requests shall be received, considered, and recorded on a systematic

written basis in order to show the action taken with respect to each. Complaints of a serious nature shall, after thorough investigation, be reported to FRV with appropriate recommendations.

3.9. Review of Operations. Manager shall permit FRV to conduct on-site evaluations of any or all of the Management Services which Manager has agreed to provide pursuant to this Agreement so that FRV may prepare a written report setting forth the results of such evaluations. Upon reasonable notice, an authorized representative of Manager shall be available during on-site evaluations. Manager shall correct any deficiencies noted in these evaluations within thirty (30) days of the receipt of the written report from FRV. In the event the correction cannot be made within thirty (30) days, Manager shall provide FRV with a written plan for the correction, including a timetable of proposed actions.

3.10. Governmental Orders. Manager shall take or cause to be taken the action necessary or appropriate to promptly comply with or contest or challenge any and all orders or requirements affecting the Community issued by any federal, state county, or municipal authority having jurisdiction thereover, and orders of the Board of Fire Underwriters or other similar bodies, within the limits of the Operating Budget.

3.11. Compliance with Regulations. Manager shall comply with any law, order, ordinance, rule, regulation or requirement of any governmental authority having jurisdiction over the Premises, and Manager shall make due inquiry to assure such compliance, within the limits of the Operating Budget. In addition, Manager shall be knowledgeable regarding and assure compliance with any policies of FRV in connection with Manager's duties under this Agreement.

3.12. Utility Service and Purchases. As more fully set forth in Article 5 hereof and within the guidelines of the Operating Budget, Manager shall make arrangements or contracts for garbage and trash removal, fuel, oil, extermination, snow removal, elevator maintenance, and other necessary services. Within the guidelines of the Operation Budget and the Capital Budget, Manager shall place or cause to be placed orders for the equipment, tools, appliances, materials, and supplies as are necessary or appropriate to maintain and repair the Community property. When taking bids or issuing purchase orders, Manager shall act at all times in the best interest of the Community.

3.13. Compliance of Residents. Manager shall at all times during the term of this Agreement operate and maintain the Community according to Applicable Standards. Manager shall secure or cause to be secured, to the best of its ability, full compliance by the Residents with the terms and conditions of their respective Residence and Care Agreements. Manager may terminate any Resident's occupancy when, in Manager's and FRV's judgment, said judgment being arrived at after consultation with FRV's chairman of its Board of Directors or with the Board's executive committee, sufficient cause occurs under the terms of the Resident's Residence and Care Agreement.

3.14. Legal Action. Manager shall advise FRV in the event it determines it is necessary or appropriate in connection with the operation of the Community to consult with legal counsel to bring actions and to execute notices to vacate and to commence appropriate judicial

proceedings. Upon consent of FRV, Manager shall be authorized to retain legal counsel on behalf of FRV or the Community to pursue such action as may be necessary or appropriate.

3.15. Residence and Care Agreements. Manager agrees to perform in a manner consistent with Applicable Standards all obligations of FRV under the Residence and Care Agreements and to provide all other services as may be customary at a continuing care community whose occupants have residential rights under Residence and Care Agreements.

3.16. Operating Budget and Capital Budget. Manager shall prepare, or cause to be prepared, the Operating Budget and the Capital Budget identified in Article 5 hereof.

3.17. Marketing. Manager shall market the Community, including advertising of the Community, selection of media, production of brochures, and sponsorship of special events, to maintain proper public exposure of the Community, and to assure adequate occupancy within all levels of housing and commercial space.

3.18. Negotiation of Contracts. Manager shall use its best efforts to obtain and enter into:

3.18.1. Residence and Care Agreements with qualified persons for any available independent, assisted living or nursing units in the Community;

3.18.2. Commercial lease agreements for any available commercial space, provided, however that Manager may contract with independent realtors for leasing services where appropriate; and

3.18.3. Any other contracts or arrangements for the proper management of the Community. Manager shall not, however, have any authority to enter into agreements involving extraordinary corporate actions or non-operating activities without the express consent of FRV. If there is any question as to Manager's authority with respect to any action or activity, Manager shall consult with FRV and agrees to be bound by FRV's decision.

3.19. Occupancy Fees. Manager shall bill Residents occupying units, commercial tenants, licensees, and concessionaires (hereinafter referred to collectively as "Occupants") rent and other charges payable with respect to space occupied, and shall use its best efforts to collect the amounts billed. All such bills shall be consistent with the terms and provisions of the various agreements for occupancy of space at the Premises, including, without limitation, Residence and Care Agreements with Residents of the Community, as such agreements or fee schedules relating thereto may be amended from time to time.

3.20. Collections and Delinquencies. FRV hereby authorizes Manager to request, demand, collect, receive, settle claims with respect to and give receipts for any and all charges which may at any time be or become payable by Residents or Occupants, and, upon the prior consent of

FRV, to take legal action, at FRV's expense, with respect to payments as may be required from time to time.

3.21. Taxes. Manager shall be responsible to ensure the payment, at FRV's expense, of all federal and state taxes, including, without limitation, real estate taxes and unemployment taxes, relating to FRV, the Premises, and the Community, which shall be remitted to the appropriate agency on or before the due date in the name of FRV. Unless furnished by FRV, Manager will obtain in FRV's name federal and state tax identification numbers.

3.22. Obligations Under Master Lease and Financing Documents. To the extent not explicitly set forth above, the Manager shall be responsible for FRV's compliance with the terms and conditions set forth in the Master Lease and in any agreement entered into by FRV in connection with the financing of the construction, acquisition, maintenance or operation of the Community, unless any non-compliance is due to the acts, omissions or explicit directions of FRV.

4. RIGHTS AND DUTIES OF FRV

FRV shall be responsible for the following duties and obligations:

4.1. Reserved Rights and Obligations as to Manager. Notwithstanding any provision in this Agreement to the contrary and in addition to any other rights or obligations of FRV in this Agreement, FRV shall retain sole responsibility for the performance of the following duties which relate to the management of the Community: (i) the hiring and/or contracting with Manager; (ii) the termination of Manager; and (iii) the replacement of Manager. FRV shall, at all times, retain full authority to investigate and review any matter affecting the Residents and to require Manager to respond with respect to any such matter in the best interest of the Community within the parameters of this Agreement. In addition, FRV shall have the right to review the compensation for all Community Employees and Management Personnel, as listed in Exhibit B, against reasonable marketplace standards and require adherence to such standards. These rights and duties, together with all other rights and obligations of FRV under this Agreement, are hereby expressly excluded from the definition of Management Services.

4.2. Exclusive Agreement. FRV shall retain Manager as the sole and exclusive marketing and managing agent of the Community.

4.3. Compensation. In consideration for the performance of Manager's performance of its obligations in accordance with this Agreement, FRV shall pay to Manager, on or before the fifteenth (15th) day of the month, the sums set forth on the attached Exhibit C (the "Monthly Fee"), in addition to the reimbursement and other payments set forth below.

4.4. Reimbursement for Reoccupancy. FRV shall reimburse Manager for the marketing cost of reoccupancy of existing units by a new Resident to cover the cost of obtaining that new Resident. Said reimbursement may be accomplished by an agreed upon fixed lump sum amount per unit and may be modified from time to time as agreed upon by the parties hereto, which amount

in the annual aggregate shall not exceed twenty percent (20%) of the total annual consideration paid to Manager hereunder during that year.

4.5. Reimbursement for Management Personnel and Out-of-Pocket Expenses. FRV shall reimburse Manager for the actual cost of salary and benefits for the Management Personnel, as described in Article 9 and as listed in Exhibit B of this Agreement, based on the time spent providing services to FRV or the Community. Manager also shall be reimbursed for actual out-of-pocket expenditures which are related to Manager's provision of the Management Services under this Agreement, including but not limited to, consultant's fees, long distance telephone calls, meals and travel. Automobile travel shall be reimbursed in accordance with the provisions of the Federal Guidelines for Mileage Reimbursement.

4.6. Responsibility for Expenses. All expenses approved in the Operating Budget or Capital Budget, or any extraordinary expenses specifically approved by FRV, shall be the financial responsibility of FRV.

5. OPERATING BUDGET AND CAPITAL BUDGET

5.1. Budgets. Manager shall prepare an annual Operating Budget and Capital Budget for each calendar year, which shall be subject to the review and approval by FRV.

5.2. Preparation of Operating Budget and Capital Budget. At least thirty (30) days before the beginning of each new fiscal year for the Community, Manager shall prepare, or cause to be prepared, and deliver to FRV (i) an Operating Budget, setting forth an itemized statement of the anticipated receipts and disbursements for the Community, including the costs for capital maintenance of the Premises and (ii) a Capital Budget, setting forth any anticipated renovation and construction costs for the Premises, both of which shall be in form acceptable to Owner or its successors or assigns as "Landlord" under the Master Lease.

5.3. Operating Budget. The Operating Budget shall be a budget for the projected twelve month period which will indicate operating cash flow sufficient to meet the cash flow needs of the Community, when combined with proceeds from the Working Capital Loan. The Operating Budget shall show the source of funds by line item for the disbursements referred in the Operating Budget.

5.4. Capital Budget. The Capital Budget shall be a budget for the projected twelve month period, which will show the source of funds for the items referenced in the Capital Budget.

6. FUNDS AND ACCOUNTS

6.1. Books and Records. Manager shall maintain and keep available, at its office, at all times, complete up-to-date books and records of the operation of the Premises. FRV and its agents and designees shall have the right to audit and examine said books and records and make

copies of all or any part thereof during normal business hours upon five (5) days advance written notice.

6.2 Surety Bonds. FRV may require that Manager and any employees who handle or are responsible for handling of funds referable to or derived from the Community may be bonded, at FRV's expense, by a commercial blanket bond in an amount specified by FRV. FRV is to receive a certificate of insurance indicating bonding coverage (if required) which shall be subject to the condition that FRV be given ten (10) day prior notice before cancellation.

6.3. Revenue. All revenue generated from the operation of the Community shall be received by Manager and deposited in an account(s) at a bank or banks designated by FRV. Manager or Manager's designee(s) shall have authority to draw funds from said account(s) to be disbursed solely to cover the costs of the management, marketing, maintenance, and overall operation of the Premises as provided in this Agreement.

6.4. Excess Cash. After taking into account or making the payments for operational costs and services required under this Agreement and establishing appropriate reserves for capital improvements and refunds, Manager shall periodically transfer the remaining balance of cash to FRV's general or other funds or shall deposit the same to such investment account(s) as FRV may direct. FRV may at any time withdraw or transfer any portion of the surplus in such account(s).

6.5. Overall Limitation. Except (i) as provided in the Operating Budget, or (ii) for refunds of Entrance Deposits to Residents, Manager shall not make any disbursement for operating expenses in excess of sixty thousand dollars ($60,000), or any series of related disbursements which in the aggregate exceed this sum in a thirty (30) day period, unless specifically authorized by FRV. For items that are not included in the Capital Budget with an identified and available source, Manager shall not expend in excess of one hundred thousand dollars ($100,000) of community funds for capital repairs or replacements unless specifically authorized by FRV.

6.6. Emergency Exception. In the event of emergency repairs, involving manifest danger to life and property, or immediately necessary for the preservation and safety of the Community, or for the safety of the Residents or Occupants, or required to avoid the suspension of any necessary certifications, licenses or services to the Community, payments may be made by Manager without regard to the cost limitation imposed by Section 6.5 above with the understanding that Manager will confer with FRV by telephone or personally followed by a written report regarding every such emergency expenditure.

7. INSURANCE

7.1. Responsibility to Maintain. Manager shall obtain recommendations for and shall cause to be placed in force, at FRV's expense, all forms of insurance needed to protect adequately FRV, any mortgagee of the Premises, Manager and the Community, in accordance with Applicable Standards.

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7.2. Types of Insurance/Policy Limits. All of the various types of insurance coverage shall be placed with the companies, in the amounts, and with the beneficial interest appearing therein as shall be mutually agreed to by FRV, any mortgagee of the Premises, and Manager; provided, however, at least the insurance coverage described in Exhibit A shall be maintained, unless otherwise agreed to by the parties. FRV shall be authorized to revise the minimum insurance requirements set forth in Exhibit A in its sole discretion.

7.3. Named and Additional Insured. Manager shall cause each insurance policy maintained in accordance with this Agreement to identify FRV, any mortgagee of the Premises and any Landlord under the Master Lease as additional insureds, and any first mortgagee of the Community as loss payee under the casualty insurance to be maintained by FRV.

7.4. Certificates. Manager shall provide to any named insured a certificate or certificates evidencing that the insurance maintained in accordance with this Agreement is in full force and effect.

8. STAFFING

8.1. Staffing Authority. Manager shall have full authority to engage, dismiss, reprimand, or otherwise deal with all employees of FRV retained by Manager pursuant to this Agreement as may be necessary for the operation of the Community in accordance with Applicable Standards (the "Community Employees"). The Community Employees to be hired and retained by Manager shall consist, at a minimum, of persons staffing the positions specified in Exhibit B hereto. Community Employees shall be employees of FRV. FRV expressly understands and agrees that such actions taken by Manager with respect to Community Employees shall take place in accordance with such personnel policies as Manager may choose to establish on behalf of FRV and pursuant to the standards of salaries and benefits which Manager may choose to provide and pay to Community Employees on behalf of FRV; provided, however, that such policies shall be subject to review and revision by FRV and such salaries and benefits are in accordance with the Operating Budget as provided in Article 5 hereof.

8.2. Qualifications. The Community Employees shall be qualified to perform the duties associated with their respective positions in accordance with Applicable Standards.

8.3. Maintenance of Staffing Levels. Manager shall be responsible for assuring that all Community staff positions are filled. Toward that end, Manager shall, as required, advertise all vacancies, provide for interviews of candidates and make employment decisions.

8.4. Training. Manager shall train new Community Employees, or shall cause the Community Employees to be trained, as necessary to provide for the efficient operation of the Community in accordance with Applicable Standards.

8.5. Contracted Services. Manager shall have full authority to engage, dismiss, reprimand, or otherwise deal with such professionals and independent contractors including, without

limitation, physicians, nurses, physical therapists, ministers, and maintenance and custodial personnel whose services are, in the opinion of Manager, necessary or appropriate for the operation of the Community in accordance with Applicable Standards; provided, however, that all payments made to these professionals and independent contractors are in accordance with the Operating Budget or as provided in Article 5 hereof.

9. MANAGEMENT PERSONNEL

9.1. Hiring of Management Personnel. In addition to Manager's obligations pursuant to Article 8 hereof, Manager shall hire and retain employees of its own as may be necessary or appropriate for the effective provision of the Management Services (the "Management Personnel"). The Management Personnel shall consist, at a minimum, of persons managing the Community Employees specified in Exhibit B. FRV expressly understands and agrees that actions taken by Manager with respect to the Management Personnel shall take place in accordance with Manager's personnel policies and pursuant to the standards of salaries and benefits which Manager may from time to time provide and pay in accordance with the approved Operating Budget. All salaries, payroll taxes and unemployment insurance of the Management Personnel shall be timely paid by Manager, subject to reimbursement by FRV in accordance with Section 4.5 of this Agreement.

9.2. Consulting and Professional Services. The consulting and professional services of Manager's corporate employees who are not included as Management Personnel are provided as part of Manager's duties under this Agreement and are compensated for by FRV in the form of the Management Fee. FRV may retain other consultants for such specialized services and pay them outside the terms of this Agreement. Manager shall use its best efforts to have Management Services performed by Community Employees, Management Personnel, or Manager's corporate employees, as appropriate, rather than using outside independent contractors for the performance of said services. Such Management Services shall include but are not limited to, administration and coordination of the operation of the Premises; implementation and evaluation of operating procedures for the Premises; supervision of in-house marketing services; supervision and furnishing of in-house legal services; architectural, engineering and design services for the Premises; and purchasing services for the furnishings, materials and equipment used in the operation of the Community.

9.3. Administrator. Manager shall hire a licensed nursing home administrator (the "Administrator") who shall direct overall operation of the nursing home division of the Community. The Administrator's duties shall include, without limitation, supervision of the Community Employees and implementation of Manager's undertakings pursuant to this Agreement within the nursing home division of the Community. The Administrator shall be an employee of Manager, provided, however, that the salary of the Administrator shall be timely paid by FRV as a reimbursable expense.

10. DURATION AND TERMINATION OF CONTRACT

10.1. Term. The term of this Agreement shall begin on the date of this Agreement as first noted hereinabove and terminate on the earlier to occur of (i) the termination or expiration of the Master Lease, or (ii) the fifth (5th) anniversary of the date of this Agreement. Notwithstanding the preceding sentence, FRV shall have the right to terminate this Agreement without cause on or after the third (3rd) anniversary of the date of this Agreement, provided that any such termination by FRV must be in writing delivered to the Manager and shall be effective on the thirtieth (30th) day following the mailing of such notice of termination.

10.1.1. FRV and Manager acknowledge and agree that Owner and its successors and assigns as Landlord under the Master Lease shall have the right to terminate this Agreement, in lieu of terminating the Master Lease, in the event of an Event of Default under the Master Lease by FRV, provided such Event of Default occurs as a result of the acts or omissions of Manager. Any such termination by Owner or its successors or assigns must be in writing delivered to Manager and FRV and shall be effective on the thirtieth (30th) day following the mailing of such notice of termination.

10.2. Termination by FRV. FRV may terminate this Agreement (i) for cause, upon sixty (60) days prior written notice to Manager and failure to cure and appropriately undertake to cure by Manager, or (ii) upon the occurrence of any of the following events of default:

10.2.1. The failure by Manager to observe or perform any of its agreements, covenants, warranties or representations contained in this Agreement if the failure shall remain uncured for a period of forty-five (45) days after written notice thereof, specifying such failure, has been given to Manager (notwithstanding the obligation of FRV to provide forty-five (45) days' notice, if FRV believes in good faith that the best interest of the Community so requires, Manager's right to manage the Community may be suspended during the notice period, but such suspension shall not affect Manager's contract rights with respect to compensation under this Agreement); or

10.2.2. Without notice or demand upon the commencement by Manager of a voluntary case under the federal bankruptcy laws; or

10.2.3. Without notice or demand upon the entry of a final order or decree for relief in an involuntary case under the federal bankruptcy laws against Manager; or

10.2.4. Without notice or demand upon the making of an assignment for the benefit of creditors, or the application for, consenting to, or acquiescing in the appointment of, or taking possession by, a trustee, receiver, custodian or similar official or agent for Manager or of all or any substantial part of any of its properties; or

10.2.5. Without notice or demand upon the filing of a Final Order or Judgment and expiration of the period for appeal, granting relief under any law (other than federal bankruptcy law) relating to the relief of debtors, readjustment of indebtedness, reorganization, composition or arrangement or the institution of any proceeding under such law against Manager; or

10.2.6. The failure by Manager to maintain in full force and effect any licenses, permits, or other approvals required from time to time by law in order for it to observe or perform its warranties, agreements or responsibilities under this Agreement, if the failure shall remain uncured for a period of forty-five (45) days after any notice or knowledge of a threatened or pending lapse is received by Manager.

10.3. Termination by Manager. Manager may terminate this Agreement upon the occurrence of any one of the following events of default:

10.3.1. The failure by FRV to observe or perform any of its agreements, covenants, warranties or representations contained in this Agreement if such failure shall remain uncured for a period of forty-five (45) days after written notice thereof specifying such failure has been given to FRV; or

10.3.2. The failure by FRV to maintain in full force and effect any licenses, permits, or other approvals required from time to time by law in order for it to observe or perform its warranties, agreements or responsibilities under this Agreement, if the failure shall remain uncured for a period of forty-five (45) days after any notice or knowledge of a threatened or pending lapse is received; provided, however, that if the cause of FRV's failure is to due to Manager's fault, Manager shall have no right of termination.

10.4. Cooperation Upon Termination.

10.4.1. FRV and Manager agree that after termination of this Agreement pursuant to Subsections 2 or 3 above, each shall cooperate fully with the other and their successors and assigns to the extent necessary to ensure continued operation of the Community in a manner consistent with Applicable Standards during such period as may be reasonably required to arrange for continued provision of the Management Services.

10.4.2. Upon any termination of this Agreement, Manager shall promptly account to FRV for all monies received and disbursed to the date of termination, after deducting therefrom all accrued but unpaid obligations with respect to the Premises incurred to the date of termination, which are not in dispute, and shall turn over to FRV all books, records, leases, license and concession agreements, vouchers, bills, and other documents referable to the Premises in Manager's possession.

10.5. Records and Reports in Event of Extraordinary Proceedings. In the event a voluntary or involuntary insolvency, bankruptcy, or similar proceeding is instituted by or against Manager, or a trustee or assignee for the benefit of creditors, receiver or custodian is appointed for Manager or its assets, the obligation of Manager or such affiliates to provide records and reports and to permit the review of operations as set forth herein shall not abate.

11. CONSTRUCTION OF CONTRACT

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11.1. Entire Agreement. This Agreement represents the entire agreement between FRV and Manager and supersedes all prior agreements and negotiations.

11.2. Modification. No addition or modification to this Agreement is valid unless in writing and executed by the parties.

11.3. Governing Law. This Agreement is governed by the laws of the State of Maryland, and venue for any action pursuant to this Agreement shall be in Baltimore County, Maryland.

11.4. Invalid Provisions. In the event that any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable, the invalidity, illegality, or unenforceability shall not affect any other provision, and the Agreement shall be construed as though it has not contained the invalid, illegal, or unenforceable provision.

11.5. Waiver. Any failure by either party at any time to enforce or require the strict performance of any of the terms or conditions hereof shall not constitute a waiver of its rights and shall not affect or impair either party's right to avail itself of the remedies available for subsequent breach of such terms or conditions.

11.6. Paragraph Heading. Paragraph headings are added solely to aid in the review of this Agreement and are not to be construed to affect the interpretation of this Agreement.

11.7. Gender. In this Agreement, the masculine, feminine and neutral genders shall be construed to be interchangeable and include one another to the extent such context is necessary to provide a logical or meaningful construction of the text.

12. MISCELLANEOUS

12.1. Notice of Violations. Promptly after receipt thereof, Manager shall deliver to FRV a copy of any notice of violation of any law, order, ordinance, rule, regulation or requirement of any governmental authority having jurisdiction over the Premises whether such notice is from a governmental authority, or from any insurance company which shall have issued the then existing insurance policies.

12.2. Assignment. Manager shall not assign this Agreement nor its interest therein without the written consent of FRV; however, said consent shall not be unreasonably withheld.

12.3. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of FRV, its successors and assigns, and shall be binding upon and inure to the benefit of Manager, its successors and assigns.

12.4. Notice. Any notice required to be given under this Agreement shall be mailed or delivered, addressed, as the case may be, to FRV at Attention of Legal Department, Erickson

Retirement Communities, LLC, 701 Maiden Choice Lane, Catonsville, Maryland, 21228; and to Manager at 701 Maiden Choice Lane, Catonsville, Maryland 21228, Attention: General Counsel or to such other addresses as any of them may designate by notice given to the other as provided in this paragraph. All payments required to be made by Manager to FRV under this Agreement shall be deposited to FRV's account as set forth herein, and all statements and other documents required to be furnished and delivered to FRV by Manager shall be delivered either by hand or by regular mail at the address designated in this paragraph.

12.5. Exhibits. The following exhibits are attached hereto and are incorporated herein by reference:

Exhibit A	Insurance Requirement
Exhibit B	Management Activities
Exhibit C	Management Fee

[SIGNATURES ON NEXT PAGE]

WITNESS

Cathy A. Walker

WITNESS

Lois M. Shaw

FOX RUN VILLAGE, INC.

By: Ronald E. Walker
Name: RONALD E. WALKER
Title: PRESIDENT

ERICKSON RETIREMENT COMMUNITIES, LLC

By:
Name: Gerald Doherty
Title: Exec V.P.

APPROVED FOR
LEGAL SUFFICIENCY CBY

WITNESS

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WITNESS

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APPROVED FOR
LEGAL SUFFICIENCY CBG

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FOX RUN VILLAGE
AMENDED AND RESTATED
MANAGEMENT AND MARKETING AGREEMENT

EXHIBIT A
INSURANCE REQUIREMENTS

Manager shall obtain and maintain in its own name all insurance required to be maintained by FRV under the Master Lease.

FOX RUN VILLAGE
AMENDED AND RESTATED
MANAGEMENT AND MARKETING AGREEMENT

EXHIBIT B
MANAGEMENT ACTIVITIES

Accounting
Activities
Administration
Admissions
Engineering Services
Food Service & Dietary
General Services
Grounds and Maintenance
Health Care
Housekeeping & Laundry
Human Resources
Nursing
Nursing Home Administration
Resident Life
Security
Pastoral Care
Transportation

FOX RUN VILLAGE
AMENDED AND RESTATED
MANAGEMENT AND MARKETING AGREEMENT

EXHIBIT C
MANAGEMENT FEE

Calendar Year	Annual Management Fee	Monthly Management Fee
2004	$247,888.00	Jan. $14,428
		Feb. $14,794
		Mar. $15,113
		Apr. $16,210
		May $18,129
		Jun. $19,865
		Jul. $21,190
		Aug. $22,286
		Sep. $23,840
		Oct. $25,851
		Nov. $27,497
		Dec. $28,686
2005	$506,222.00	Jan. $33,351
		Feb. $34,533
		Mar. $36,141
		Apr, $38,161
		May $40,090
		Jun. $41,835
		Jul. $43,167
		Aug. $44,177
		Sep. $45,784
		Oct. $47,834
		Nov. $49,844
		Dec. $51,306
2006	$760,396.00	Jan. $53,927
		Feb. $54,821
		Mar. $55,669
		Apr. $57,127

Calendar Year	Annual Management Fee	Monthly Management Fee
		May $59,386
		Jun. $61,739
		Jul. $63,998
		Aug. $66,021
		Sep. $68,139
		Oct. $70,491
		Nov. $72,609
		Dec. $76,468
2007	$1,379,753.00	Jan. $82,319
		Feb. $87,285
		Mar. $93,445
		Apr. $98,997
		May $105,808
		Jun. $111,400
		Jul. $118,596
		Aug. $125,390
		Sep. $130,620
		Oct. $137,197
		Nov. $141,418
		Dec. $147,277
2008	$2,115,364.00	Jan. $154,344
		Feb. $156,253
		Mar. $163,594
		Apr. $167,423
		May $175,067
		Jun. $177,596
		Jul. $181,811
		Aug. $184,291
		Sep. $184,840
		Oct. $188,666
		Nov. $188,972
		Dec. $192,508

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FOX RUN VILLAGE
MANAGEMENT AND MARKETING AGREEMENT

THIS MANAGEMENT AND MARKETING AGREEMENT (this "Agreement") is made as of this 12th day of February, 2002 between FOX RUN VILLAGE, INC., a Maryland corporation (hereinafter referred to as "FRV"), and ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company having offices at 701 Maiden Choice Lane, Catonsville, Maryland 21228 (hereinafter referred to as "Manager").

RECITALS

FRV is leasing certain property and improvements located in Novi, Michigan (the "Premises"), pursuant to Master Lease and Use Agreement of even date herewith by and between FRV and Novi Campus, LLC ("Owner"). FRV intends to operate on the Premises a continuing care retirement community to be known as Fox Run Village (the "Community").

WHEREAS, FRV wishes to engage Manager to provide management and marketing services for the Community.

NOW THEREFORE, in consideration of the premises, the mutual promises herein contained and other good and valuable consideration, the adequacy and sufficiency of which are acknowledged by the parties hereto, FRV and Manager agree as follows:

W I T N E S S E T H

1. DEFINITIONS

For the purposes of this Agreement, the following terms have the indicated meanings:

Applicable Standards - All laws, rules, regulations, court orders, or other applicable governmental or quasi-governmental requirements, and all applicable contractual obligations.

Capital Budget - The budget to be prepared by Manager pursuant to Section 5.4 of this Agreement.

Community Employees - Shall have the meaning given such term in Section 8.1 of this Agreement.

Management Fee - The fee payable to Manager pursuant to Section 4.3 of this Agreement.

Management Personnel - Shall have the meaning given such term in Section 9.1 of this Agreement.

Management Services - Those services as may be required from time to time to coordinate the operation of the Community as a continuing care community, including all residential, medical, nursing, recreational, commercial and other uses incidental thereto, in a manner consistent with Applicable Standards and in accordance with the terms and limitations of this Agreement, all as more particularly described in Article 3 of this Agreement.

Master Lease - That certain Master Lease and Use Agreement dated of even date herewith by and between FRV and Owner.

Operating Budget - The budget to be prepared by Manager pursuant to Section 5.3 of this Agreement.

Owner – Novi Campus, LLC and its successors and assigns as owner of the Community.

Residence and Care Agreement - The continuing care contract executed between FRV and each Resident of the Retirement Community detailing the residential and other rights and obligations of the Resident and the rights and obligations of FRV.

Resident - A person that occupies a residential unit in the Community pursuant to a Residence and Care Agreement.

Working Capital Loan - That certain loan made by Owner to FRV pursuant to the Working Capital Loan Agreement dated of even date herewith.

2. REPRESENTATIONS AND WARRANTIES

2.1. Representations and Warranties of Manager. Manager hereby represents and warrants to FRV that Manager is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Maryland; is qualified to do business in the State of Michigan; and has full power and authority to carry on its business as it is now being conducted, and to enter into and perform its obligations under this Agreement and under the other agreements, instruments, or documents to be entered into pursuant to or in connection with this Agreement.

2.2. Representations and Warranties of FRV. FRV hereby represents and warrants to Manager that FRV is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland; is qualified to do business in the State of Michigan; and has full corporate power and authority to carry on its business as it is now being conducted, to own or hold

under lease the properties and assets it now owns or holds under lease and to enter into and perform its obligations under this Agreement and under the other agreements, instruments, or documents to be entered into pursuant to this Agreement.

2.3. Master Lease. FRV and Manager acknowledge and agree that this Agreement is subject and subordinate to the terms of the Master Lease such that this Agreement shall automatically terminate upon the termination of the Master Lease. Nothing contained in this Agreement or any other agreement between FRV and Manager is intended to modify FRV's obligations under the Master Lease.

3. DUTIES OF MANAGER

3.1 Engagement. FRV hereby hires Manager as its exclusive manager of the Community, and Manager hereby agrees to furnish Management Services for the Community; provided, however, nothing in this Agreement shall be construed to preclude FRV from engaging other persons to provide legal, financial, design, consulting and other services, in FRV's sole discretion. Without limiting the generality of the foregoing, Management Services shall include the obligations listed in this Article 3:

3.2. Certification and Licensure.

3.2.1. Manager shall prepare any annual disclosure statements and application(s) on behalf of FRV to be presented periodically to any applicable governmental authorities regulating CCRCs or any other applicable governmental agencies for a certificate(s) of authority for operation of the Community as a continuing care facility, or any expansions or changes therein. Manager shall maintain in full force and effect all necessary approvals for the operation of the Community's nursing facility, pursuant to the Certificate of Need issued to Manager by the appropriate governmental authority, as renewed and amended from time to time.

3.2.2. Manager shall prepare and FRV shall submit, and Manager shall maintain in full force and effect, all other necessary federal, state and local approvals for the operation of the Community as may be required from time to time, as renewed and amended from time to time.

3.2.3. Manager covenants that Manager shall use its best efforts to prevent any permits, rights, franchises or privileges necessary or desirable for the operation of the Community from lapsing or being forfeited so long as the same shall be necessary or desirable for the operation of the Community, and that Manager will use its best efforts to procure the extension or renewal of each and every right, franchise or privilege so expiring and necessary or desirable for the operation of the Community. Manager shall provide written notice to FRV of a threatened or pending default in connection with any permit, right, franchise or privilege relating to the Community.

3.3. Conduct. Manager shall manage the Community in a prudent, businesslike manner, so as to enhance the reputation of the Community and the continued growth of the Community. Manager shall not take any action or follow a course of conduct that is not in compliance with any Applicable Standard or which will or may cause the Community to lose its certifications or licenses under the terms of all applicable laws, rules or regulations.

3.4. Communication With FRV. Manager shall communicate with FRV at least monthly with respect to all material issues affecting the operation and management of the Community. Manager agrees to cause a representative of Manager to attend meetings with FRV at any time or times during normal business hours as requested by FRV. In addition, Manager shall provide immediate written notice to FRV of any threatened or pending default relating to any obligation of Manager under this Agreement.

3.5. Employment and Contracting of Personnel. As more fully set forth in Articles 8 and 9 hereof and in accordance with the Operating Budget, Manager shall investigate, hire or contract with, supervise and discharge all personnel necessary and appropriate for the operation of the Community. Manager shall prepare, execute, and file all forms, reports, and returns required by law in connection with the employment of personnel at the Community, whether by FRV or by Manager, including unemployment insurance, workmen's compensation insurance, disability benefits, social security, and other similar insurance benefits or taxes now in effect or hereafter imposed.

3.6. Records and Reports.

3.6.1. Manager shall establish and maintain a comprehensive system of records, books, and accounts for the Community in a manner satisfactory to FRV and as necessary to allow FRV to comply with FRV's obligations under the Master Lease pertaining to the maintenance of books, records, and accounts.

3.6.2. With respect to each fiscal year ending during the term of this Agreement, Manager shall have a financial report of the Community for each fiscal year or any part thereof prepared by a certified public accountant based upon the preparer's examination of the books and records of the Community. Manager agrees to make available to FRV its documentation relating to monthly billing, including reimbursable expenses if requested. The report shall be (i) prepared in accordance with generally accepted accounting principles, consistently applied, and generally accepted auditing standards, (ii) certified by the preparer and (iii) submitted to FRV within one hundred and twenty (120) days after the end of the fiscal year. FRV shall cooperate fully with Manager and such preparers in the preparation of such reports.

3.6.3. By the twenty-fifth (25th) day of each month, Manager shall furnish reports for the month preceding, to FRV, as follows:

(i) a report (on a cash or modified accrual basis) that compares actual and budgeted income and expenses for the month and for the "year-to-date",

(ii) a monthly cash flow report,

(iii) a report showing an aged schedule of accounts receivable and accounts payable,

(iv) an analysis of escrow deposits and monthly cash reconciliation,

(v) an itemized list of all monthly fee delinquencies as of the twentieth (20th) day of the current month, and

(vi) an occupancy report, in a format acceptable to FRV.

3.6.4. Manager shall assist FRV in the timely and competent preparation of FRV's federal and state income tax returns. In addition, Manager shall cause any reports required to be made under the Medicare or Medicaid programs (or any successor programs) of the federal Department of Health and Human Services or by the State in which the Community is located to be prepared in a timely and competent manner.

3.6.5. Manager shall prepare such additional reports, statements or certifications as FRV may reasonably request from time to time.

3.7. Maintenance and Repairs.

3.7.1. Manager shall cause a preventative maintenance schedule to be developed, which schedule shall include, but not be limited to, periodic inspections of the residential units of the Community; residency commencement and termination check lists; inventory control, common area maintenance; equipment maintenance; exterior maintenance on a seasonal basis; and painting, decorating, and replacement time tables as necessary within the limits of the Operating Budget, all in accordance with the requirements of the Master Lease.

3.7.2. Manager shall cause the buildings, appurtenances, equipment and grounds of the Premises to be maintained and repaired in good operating condition within the preventative maintenance schedule and within the limits of the funds available therefor in the Operating Budget.

3.8. Service Requests of Residents. Manager shall maintain businesslike relations with Residents whose service requests shall be received, considered, and recorded on a systematic written basis in order to show the action taken with respect to each. Complaints of a serious nature shall, after thorough investigation, be reported to FRV with appropriate recommendations.

3.9. Review of Operations. Manager shall permit FRV to conduct on-site evaluations of any or all of the Management Services which Manager has agreed to provide pursuant to this Agreement so that FRV may prepare a written report setting forth the results of such evaluations. Upon reasonable notice, an authorized representative of Manager shall be available during on-site evaluations. Manager shall correct any deficiencies noted in these evaluations within thirty (30) days of the receipt of the written report from FRV. In the event the correction cannot be made within thirty (30) days, Manager shall provide FRV with a written plan for the correction, including a timetable of proposed actions.

3.10. Governmental Orders. Manager shall take or cause to be taken the action necessary or appropriate to promptly comply with or contest or challenge any and all orders or requirements affecting the Community issued by any federal, state county, or municipal authority having jurisdiction thereover, and orders of the Board of Fire Underwriters or other similar bodies, within the limits of the Operating Budget.

3.11. Compliance with Regulations. Manager shall comply with any law, order, ordinance, rule, regulation or requirement of any governmental authority having jurisdiction over the Premises, and Manager shall make due inquiry to assure such compliance, within the limits of the Operating Budget. In addition, Manager shall be knowledgeable regarding and assure compliance with any policies of FRV in connection with Manager's duties under this Agreement.

3.12. Utility Service and Purchases. As more fully set forth in Article 5 hereof and within the guidelines of the Operating Budget, Manager shall make arrangements or contracts for garbage and trash removal, fuel, oil, extermination, snow removal, elevator maintenance, and other necessary services. Within the guidelines of the Operation Budget and the Capital Budget, Manager shall place or cause to be placed orders for the equipment, tools, appliances, materials, and supplies as are necessary or appropriate to maintain and repair the Community property. When taking bids or issuing purchase orders, Manager shall act at all times in the best interest of the Community.

3.13. Compliance of Residents. Manager shall at all times during the term of this Agreement operate and maintain the Community according to Applicable Standards. Manager shall secure or cause to be secured, to the best of its ability, full compliance by the Residents with the terms and conditions of their respective Residence and Care Agreements. Manager may terminate any Resident's occupancy when, in Manager's and FRV's judgment, said judgment being arrived at after consultation with FRV's chairman of its Board of Directors or with the Board's executive committee, sufficient cause occurs under the terms of the Resident's Residence and Care Agreement.

3.14. Legal Action. Manager shall advise FRV in the event it determines it is necessary or appropriate in connection with the operation of the Community to consult with legal counsel to bring actions and to execute notices to vacate and to commence appropriate judicial proceedings. Upon consent of FRV, Manager shall be authorized to retain legal counsel on behalf of FRV or the Community to pursue such action as may be necessary or appropriate.

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3.15. Residence and Care Agreements. Manager agrees to perform in a manner consistent with Applicable Standards all obligations of FRV under the Residence and Care Agreements and to provide all other services as may be customary at a continuing care community whose occupants have residential rights under Residence and Care Agreements.

3.16. Operating Budget and Capital Budget. Manager shall prepare, or cause to be prepared, the Operating Budget and the Capital Budget identified in Article 5 hereof.

3.17. Marketing. Manager shall market the Community, including advertising of the Community, selection of media, production of brochures, and sponsorship of special events, to maintain proper public exposure of the Community, and to assure adequate occupancy within all levels of housing and commercial space.

3.18. Negotiation of Contracts. Manager shall use its best efforts to obtain and enter into:

3.18.1. Residence and Care Agreements with qualified persons for any available independent, assisted living or nursing units in the Community;

3.18.2. Commercial lease agreements for any available commercial space, provided, however that Manager may contract with independent realtors for leasing services where appropriate; and

3.18.3. Any other contracts or arrangements for the proper management of the Community. Manager shall not, however, have any authority to enter into agreements involving extraordinary corporate actions or non-operating activities without the express consent of FRV. If there is any question as to Manager's authority with respect to any action or activity, Manager shall consult with FRV and agrees to be bound by FRV's decision.

3.19. Occupancy Fees. Manager shall bill Residents occupying units, commercial tenants, licensees, and concessionaires (hereinafter referred to collectively as "Occupants") rent and other charges payable with respect to space occupied, and shall use its best efforts to collect the amounts billed. All such bills shall be consistent with the terms and provisions of the various agreements for occupancy of space at the Premises, including, without limitation, Residence and Care Agreements with Residents of the Community, as such agreements or fee schedules relating thereto may be amended from time to time.

3.20. Collections and Delinquencies. FRV hereby authorizes Manager to request, demand, collect, receive, settle claims with respect to and give receipts for any and all charges which may at any time be or become payable by Residents or Occupants, and, upon the prior consent of FRV, to take legal action, at FRV's expense, with respect to payments as may be required from time to time.

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3.21. Taxes. Manager shall be responsible to ensure the payment, at FRV's expense, of all federal and state taxes, including, without limitation, real estate taxes and unemployment taxes, relating to FRV, the Premises, and the Community, which shall be remitted to the appropriate agency on or before the due date in the name of FRV. Unless furnished by FRV, Manager will obtain in FRV's name federal and state tax identification numbers.

4. RIGHTS AND DUTIES OF FRV

FRV shall be responsible for the following duties and obligations:

4.1. Reserved Rights and Obligations as to Manager. Notwithstanding any provision in this Agreement to the contrary and in addition to any other rights or obligations of FRV in this Agreement, FRV shall retain sole responsibility for the performance of the following duties which relate to the management of the Community: (i) the hiring and/or contracting with Manager; (ii) the termination of Manager; and (iii) the replacement of Manager. FRV shall, at all times, retain full authority to investigate and review any matter affecting the Residents and to require Manager to respond with respect to any such matter in the best interest of the Community within the parameters of this Agreement. In addition, FRV shall have the right to review the compensation for all Community Employees and Management Personnel, as listed in Exhibit B, against reasonable marketplace standards and require adherence to such standards. These rights and duties, together with all other rights and obligations of FRV under this Agreement, are hereby expressly excluded from the definition of Management Services.

4.2. Exclusive Agreement. FRV shall retain Manager as the sole and exclusive marketing and managing agent of the Community.

4.3. Compensation. In consideration for the performance of Manager's performance of its obligations in accordance with this Agreement, FRV shall pay to Manager, on or before the fifteenth (15th) day of the month, the sums set forth on the attached Exhibit D (the "Monthly Fee"), in addition to the reimbursement and other payments set forth below.

4.4. Reimbursement for Reoccupancy. FRV shall reimburse Manager for the marketing cost of reoccupancy of existing units by a new Resident to cover the cost of obtaining that new Resident. Said reimbursement may be accomplished by an agreed upon fixed lump sum amount per unit and may be modified from time to time as agreed upon by the parties hereto, which amount in the annual aggregate shall not exceed twenty percent (20%) of the total annual consideration paid to Manager hereunder during that year.

4.5. Reimbursement for Management Personnel and Out-of-Pocket Expenses. FRV shall reimburse Manager for the actual cost of salary and benefits for the Management Personnel, as described in Article 9 and as listed in Exhibit B of this Agreement, based on the time spent providing services to FRV or the Community. Manager also shall be reimbursed for actual

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out-of-pocket expenditures which are related to Manager's provision of the Management Services under this Agreement, including but not limited to, consultant's fees, long distance telephone calls, meals and travel. Automobile travel shall be reimbursed in accordance with the provisions of the Federal Guidelines for Mileage Reimbursement.

4.6. Responsibility for Expenses. All expenses approved in the Operating Budget or Capital Budget, or any extraordinary expenses specifically approved by FRV, shall be the financial responsibility of FRV.

5. OPERATING BUDGET AND CAPITAL BUDGET

5.1. Budgets. Manager shall prepare an annual Operating Budget and Capital Budget for each calendar year, which shall be subject to the review and approval by FRV.

5.2. Preparation of Operating Budget and Capital Budget. At least thirty (30) days before the beginning of each new fiscal year for the Community, Manager shall prepare, or cause to be prepared, and deliver to FRV (i) an Operating Budget, setting forth an itemized statement of the anticipated receipts and disbursements for the Community, including the costs for capital maintenance of the Premises and (ii) a Capital Budget, setting forth any anticipated renovation and construction costs for the Premises, both of which shall be in form acceptable to Owner or its successors or assigns as "Landlord" under the Master Lease.

5.3. Operating Budget. The Operating Budget shall be a budget for the projected twelve month period which will indicate operating cash flow sufficient to meet the cash flow needs of the Community, when combined with proceeds from the Working Capital Loan. The Operating Budget shall show the source of funds by line item for the disbursements referred in the Operating Budget.

5.4. Capital Budget. The Capital Budget shall be a budget for the projected twelve month period, which will show the source of funds for the items referenced in the Capital Budget.

6. FUNDS AND ACCOUNTS

6.1. Books and Records. Manager shall maintain and keep available, at its office, at all times, complete up-to-date books and records of the operation of the Premises. FRV and its agents and designees shall have the right to audit and examine said books and records and make copies of all or any part thereof during normal business hours upon five (5) days advance written notice.

6.2 Surety Bonds. FRV may require that Manager and any employees who handle or are responsible for handling of funds referable to or derived from the Community may be bonded, at FRV's expense, by a commercial blanket bond in an amount specified by FRV. FRV is

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to receive a certificate of insurance indicating bonding coverage (if required) which shall be subject to the condition that FRV be given ten (10) day prior notice before cancellation.

6.3. Revenue. All revenue generated from the operation of the Community shall be received by Manager and deposited in an account(s) at a bank or banks designated by FRV. Manager or Manager's designee(s) shall have authority to draw funds from said account(s) to be disbursed solely to cover the costs of the management, marketing, maintenance, and overall operation of the Premises as provided in this Agreement.

6.4. Excess Cash. After taking into account or making the payments for operational costs and services required under this Agreement and establishing appropriate reserves for capital improvements and refunds, Manager shall periodically transfer the remaining balance of cash to FRV's general or other funds or shall deposit the same to such investment account(s) as FRV may direct. FRV may at any time withdraw or transfer any portion of the surplus in such account(s).

6.5. Overall Limitation. Except (i) as provided in the Operating Budget, or (ii) for refunds of Entrance Deposits to Residents, Manager shall not make any disbursement for operating expenses in excess of sixty thousand dollars ($60,000), or any series of related disbursements which in the aggregate exceed this sum in a thirty (30) day period, unless specifically authorized by FRV. For items that are not included in the Capital Budget with an identified and available source, Manager shall not expend in excess of one hundred thousand dollars ($100,000) of community funds for capital repairs or replacements unless specifically authorized by FRV.

6.6. Emergency Exception. In the event of emergency repairs, involving manifest danger to life and property, or immediately necessary for the preservation and safety of the Community, or for the safety of the Residents or Occupants, or required to avoid the suspension of any necessary certifications, licenses or services to the Community, payments may be made by Manager without regard to the cost limitation imposed by Section 6.5 above with the understanding that Manager will confer with FRV by telephone or personally followed by a written report regarding every such emergency expenditure.

7. INSURANCE

7.1. Responsibility to Maintain. Manager shall obtain recommendations for and shall cause to be placed in force, at FRV's expense, all forms of insurance needed to protect adequately FRV, any mortgagee of the Premises, Manager and the Community, in accordance with Applicable Standards.

7.2. Types of Insurance/Policy Limits. All of the various types of insurance coverage shall be placed with the companies, in the amounts, and with the beneficial interest appearing therein as shall be mutually agreed to by FRV, any mortgagee of the Premises, and Manager; provided, however, at least the insurance coverage described in Exhibit A shall be maintained, unless otherwise agreed to by the parties. FRV shall be authorized to revise the minimum insurance requirements set forth in Exhibit A in its sole discretion.

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7.3. Named and Additional Insured. Manager shall cause each insurance policy maintained in accordance with this Agreement to identify FRV, any mortgagee of the Premises and any Landlord under the Master Lease as additional insureds, and any first mortgagee of the Community as loss payee under the casualty insurance to be maintained by FRV.

7.4. Certificates. Manager shall provide to any named insured a certificate or certificates evidencing that the insurance maintained in accordance with this Agreement is in full force and effect.

8. STAFFING

8.1. Staffing Authority. Manager shall have full authority to engage, dismiss, reprimand, or otherwise deal with all employees of FRV retained by Manager pursuant to this Agreement as may be necessary for the operation of the Community in accordance with Applicable Standards (the "Community Employees"). The Community Employees to be hired and retained by Manager shall consist, at a minimum, of persons staffing the positions specified in Exhibit B hereto. Community Employees shall be employees of FRV. FRV expressly understands and agrees that such actions taken by Manager with respect to Community Employees shall take place in accordance with such personnel policies as Manager may choose to establish on behalf of FRV and pursuant to the standards of salaries and benefits which Manager may choose to provide and pay to Community Employees on behalf of FRV; provided, however, that such policies shall be subject to review and revision by FRV and such salaries and benefits are in accordance with the Operating Budget as provided in Article 5 hereof.

8.2. Qualifications. The Community Employees shall be qualified to perform the duties associated with their respective positions in accordance with Applicable Standards.

8.3. Maintenance of Staffing Levels. Manager shall be responsible for assuring that all Community staff positions are filled. Toward that end, Manager shall, as required, advertise all vacancies, provide for interviews of candidates and make employment decisions.

8.4. Training. Manager shall train new Community Employees, or shall cause the Community Employees to be trained, as necessary to provide for the efficient operation of the Community in accordance with Applicable Standards.

8.5. Contracted Services. Manager shall have full authority to engage, dismiss, reprimand, or otherwise deal with such professionals and independent contractors including, without limitation, physicians, nurses, physical therapists, ministers, and maintenance and custodial personnel whose services are, in the opinion of Manager, necessary or appropriate for the operation of the Community in accordance with Applicable Standards; provided, however, that all payments made to these professionals and independent contractors are in accordance with the Operating Budget or as provided in Article 5 hereof.

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9. MANAGEMENT PERSONNEL

9.1. Hiring of Management Personnel. In addition to Manager's obligations pursuant to Article 8 hereof, Manager shall hire and retain employees of its own as may be necessary or appropriate for the effective provision of the Management Services (the "Management Personnel"). The Management Personnel shall consist, at a minimum, of persons managing the Community Employees specified in Exhibit B. FRV expressly understands and agrees that actions taken by Manager with respect to the Management Personnel shall take place in accordance with Manager's personnel policies and pursuant to the standards of salaries and benefits which Manager may from time to time provide and pay in accordance with the approved Operating Budget. All salaries, payroll taxes and unemployment insurance of the Management Personnel shall be timely paid by Manager, subject to reimbursement by FRV in accordance with Section 4.5 of this Agreement.

9.2. Consulting and Professional Services of Certain Key Personnel. The consulting and professional services of the Key Personnel listed in Exhibit C, subject to the limitations set forth therein, are provided as part of Manager's duties under this Agreement and are compensated for by FRV in the form of the Management Fee. FRV may retain other consultants for such specialized services and pay them outside the terms of this Agreement. Manager shall use its best efforts to have Management Services performed by Community Employees or Management Personnel rather than using outside independent contractors for the performance of said services. Such Management Services shall include but are not limited to, administration and coordination of the operation of the Premises; implementation and evaluation of operating procedures for the Premises; supervision of in-house marketing services; supervision and furnishing of in-house legal services; architectural, engineering and design services for the Premises; and purchasing services for the furnishings, materials and equipment used in the operation of the Community. FRV shall not reimburse Manager for these services of the Key Personnel, to the extent of the limitations specified in Exhibit C.

9.3. Administrator. Manager shall hire a licensed nursing home administrator (the "Administrator") who shall direct overall operation of the nursing home division of the Community. The Administrator's duties shall include, without limitation, supervision of the Community Employees and implementation of Manager's undertakings pursuant to this Agreement within the nursing home division of the Community. The Administrator shall be an employee of Manager, provided, however, that the salary of the Administrator shall be timely paid by FRV as a reimbursable expense.

10. DURATION AND TERMINATION OF CONTRACT

10.1. Term. The term of this Agreement shall begin on the date of this Agreement as first noted hereinabove and terminate on the earlier to occur of (i) the termination or expiration of the Master Lease, or (ii) the tenth (10th) anniversary of the date of this Agreement.

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10.1.1. FRV and Manager acknowledge and agree that Owner and its successors and assigns as Landlord under the Master Lease shall have the right to terminate this Agreement, in lieu of terminating the Master Lease, in the event of an Event of Default under the Master Lease by FRV, provided such Event of Default occurs as a result of the acts or omissions of Manager. Any such termination by Owner or its successors or assigns must be in writing delivered to Manager and FRV and shall be effective on the thirtieth (30th) day following the mailing of such notice of termination.

10.2. Termination by FRV. FRV may terminate this Agreement (i) for cause, upon sixty (60) days prior written notice to Manager and failure to cure and appropriately undertake to cure by Manager, or (ii) upon the occurrence of any of the following events of default:

10.2.1. The failure by Manager to observe or perform any of its agreements, covenants, warranties or representations contained in this Agreement if the failure shall remain uncured for a period of forty-five (45) days after written notice thereof, specifying such failure, has been given to Manager (notwithstanding the obligation of FRV to provide forty-five (45) days' notice, if FRV believes in good faith that the best interest of the Community so requires, Manager's right to manage the Community may be suspended during the notice period, but such suspension shall not affect Manager's contract rights with respect to compensation under this Agreement); or

10.2.2. Without notice or demand upon the commencement by Manager of a voluntary case under the federal bankruptcy laws; or

10.2.3. Without notice or demand upon the entry of a final order or decree for relief in an involuntary case under the federal bankruptcy laws against Manager; or

10.2.4. Without notice or demand upon the making of an assignment for the benefit of creditors, or the application for, consenting to, or acquiescing in the appointment of, or taking possession by, a trustee, receiver, custodian or similar official or agent for Manager or of all or any substantial part of any of its properties; or

10.2.5. Without notice or demand upon the filing of a Final Order or Judgment and expiration of the period for appeal, granting relief under any law (other than federal bankruptcy law) relating to the relief of debtors, readjustment of indebtedness, reorganization, composition or arrangement or the institution of any proceeding under such law against Manager; or

10.2.6. The failure by Manager to maintain in full force and effect any licenses, permits, or other approvals required from time to time by law in order for it to observe or perform its warranties, agreements or responsibilities under this Agreement, if the failure shall remain uncured for a period of forty-five (45) days after any notice or knowledge of a threatened or pending lapse is received by Manager.

10.3. Termination by Manager. Manager may terminate this Agreement upon the occurrence of any one of the following events of default:

10.3.1. The failure by FRV to observe or perform any of its agreements, covenants, warranties or representations contained in this Agreement if such failure shall remain uncured for a period of forty-five (45) days after written notice thereof specifying such failure has been given to FRV; or

10.3.2. The failure by FRV to maintain in full force and effect any licenses, permits, or other approvals required from time to time by law in order for it to observe or perform its warranties, agreements or responsibilities under this Agreement, if the failure shall remain uncured for a period of forty-five (45) days after any notice or knowledge of a threatened or pending lapse is received; provided, however, that if the cause of FRV's failure is to due to Manager's fault, Manager shall have no right of termination.

10.4. Cooperation Upon Termination.

10.4.1. FRV and Manager agree that after termination of this Agreement pursuant to Subsections 2 or 3 above, each shall cooperate fully with the other and their successors and assigns to the extent necessary to ensure continued operation of the Community in a manner consistent with Applicable Standards during such period as may be reasonably required to arrange for continued provision of the Management Services.

10.4.2. Upon any termination of this Agreement, Manager shall promptly account to FRV for all monies received and disbursed to the date of termination, after deducting therefrom all accrued but unpaid obligations with respect to the Premises incurred to the date of termination, which are not in dispute, and shall turn over to FRV all books, records, leases, license and concession agreements, vouchers, bills, and other documents referable to the Premises in Manager's possession.

10.5. Records and Reports in Event of Extraordinary Proceedings. In the event a voluntary or involuntary insolvency, bankruptcy, or similar proceeding is instituted by or against Manager, or a trustee or assignee for the benefit of creditors, receiver or custodian is appointed for Manager or its assets, the obligation of Manager or such affiliates to provide records and reports and to permit the review of operations as set forth herein shall not abate.

11. CONSTRUCTION OF CONTRACT

11.1. Entire Agreement. This Agreement represents the entire agreement between FRV and Manager and supersedes all prior agreements and negotiations.

11.2. Modification. No addition or modification to this Agreement is valid unless in writing and executed by the parties.

11.3. Governing Law. This Agreement is governed by the laws of the State of Maryland, and venue for any action pursuant to this Agreement shall be in Baltimore County, Maryland.

11.4. Invalid Provisions. In the event that any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable, the invalidity, illegality, or unenforceability shall not affect any other provision, and the Agreement shall be construed as though it has not contained the invalid, illegal, or unenforceable provision.

11.5. Waiver. Any failure by either party at any time to enforce or require the strict performance of any of the terms or conditions hereof shall not constitute a waiver of its rights and shall not affect or impair either party's right to avail itself of the remedies available for subsequent breach of such terms or conditions.

11.6. Paragraph Heading. Paragraph headings are added solely to aid in the review of this Agreement and are not to be construed to affect the interpretation of this Agreement.

11.7. Gender. In this Agreement, the masculine, feminine and neutral genders shall be construed to be interchangeable and include one another to the extent such context is necessary to provide a logical or meaningful construction of the text.

12. MISCELLANEOUS

12.1. Notice of Violations. Promptly after receipt thereof, Manager shall deliver to FRV a copy of any notice of violation of any law, order, ordinance, rule, regulation or requirement of any governmental authority having jurisdiction over the Premises whether such notice is from a governmental authority, or from any insurance company which shall have issued the then existing insurance policies.

12.2. Assignment. Manager shall not assign this Agreement nor its interest therein without the written consent of FRV; however, said consent shall not be unreasonably withheld.

12.3. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of FRV, its successors and assigns, and shall be binding upon and inure to the benefit of Manager, its successors and assigns.

12.4. Notice. Any notice required to be given under this Agreement shall be mailed or delivered, addressed, as the case may be, to FRV at Attention of Legal Department, Erickson Retirement Communities, LLC, 701 Maiden Choice Lane, Catonsville, Maryland, 21228; and to Manager at 701 Maiden Choice Lane, Catonsville, Maryland 21228, Attention: General Counsel or to such other addresses as any of them may designate by notice given to the other as provided in this

paragraph. All payments required to be made by Manager to FRV under this Agreement shall be deposited to FRV's account as set forth herein, and all statements and other documents required to be furnished and delivered to FRV by Manager shall be delivered either by hand or by regular mail at the address designated in this paragraph.

12.5. Exhibits. The following exhibits are attached hereto and are incorporated herein by reference:

Exhibit A	Insurance Requirement
Exhibit B	Management Activities
Exhibit C	Key Personnel
Exhibit D	Management Fee

WITNESS

FOX RUN VILLAGE, INC.

By: _____
Bruce R. Grindrod, Jr.
President

WITNESS

ERICKSON RETIREMENT COMMUNITIES, LLC

By: _____
Andrew V. Aldi
Chief Operating Officer and
Executive Vice President

APPROVED FOR LEGAL SUFFICIENCY

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FOX RUN VILLAGE
MANAGEMENT AND MARKETING AGREEMENT

EXHIBIT A
INSURANCE REQUIREMENTS

Manager shall obtain and maintain in its own name all insurance required to be maintained by FRV under the Master Lease.

FOX RUN VILLAGE
MANAGEMENT AND MARKETING AGREEMENT

EXHIBIT B
MANAGEMENT ACTIVITIES

Accounting
Activities
Administration
Admissions
Engineering Services
Food Service & Dietary
General Services
Grounds and Maintenance
Health Care
Housekeeping & Laundry
Human Resources
Nursing
Nursing Home Administration
Resident Life
Security
Pastoral Care
Transportation

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FOX RUN VILLAGE
MANAGEMENT AND MARKETING AGREEMENT

EXHIBIT C
KEY PERSONNEL

In accordance with the provisions of Article 9 above, Manager shall provide Key Personnel for the following areas of operation:

John C. Erickson, President [1]
Michael J. Erickson, Executive Vice President [1]
Purchasing Services [2]
Legal Services [3]

[1] FRV shall not reimburse Manager for the life-care community expertise and services of John C. Erickson, or Michael J. Erickson in their respective positions as listed. If the employment of any or all of these two individuals by Manager should cease or be terminated for any reason, Manager shall replace the individual(s) and fill the vacant position(s) with similarly qualified personnel.

[2] FRV shall reimburse Manager at actual cost for the consulting services of personnel relating to purchasing services performed in connection with capital or fixed asset purchases for furniture and equipment, to the extent that said purchases exceed Five Hundred Thousand Dollars ($500,000) per calendar year on an accrual basis. The actual cost shall be based on an hourly rate equal to the hourly cost to Manager for said personnel including salary and benefits based on a 2,000 hour work year per individual.

[3] FRV shall reimburse Manager at actual cost for the consulting and professional services of Manager's personnel relating to legal services performed in connection with negotiations or consultations with the various governmental and regulatory agencies having jurisdiction over the Community and in responding to legal inquiries generated on a daily basis from within the Community to the extent said services and consultations exceed, in the aggregate 500 hours per calendar year at actual cost. This provision does not preclude FRV from utilizing other legal counsel.

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FOX RUN VILLAGE
MANAGEMENT AND MARKETING AGREEMENT

EXHIBIT D
MANAGEMENT FEE

In consideration for the performance of Manager's performance of its obligations in accordance with this Agreement, FRV shall pay to Manager, on or before the fifteenth (15th) day of the month, a fee equal to 5% of gross income from Occupancy Fees received from Residents for the preceding month based upon the closing financial documentation from FRV's records of receipts and revenues from the previous month. For the purposes of calculating the fee, the Occupancy Fees shall not include rents from commercial leases, food service fees, home health service fees, grounds & maintenance fees, laundry & housekeeping fees, other resident fees, facility rents or interest income. To the extent that new sources of revenue or fees are established in the operation of the Community, said revenue or fees shall not be deemed to be part of the Occupancy Fees unless FRV's Board of Directors, by resolution, agrees to include said revenue or fees in the definition of Occupancy Fees.

EXHIBIT 23

"Community Loan Documents"

1. Community Loan Agreement

2. Mortgage Recorded Among The Land Records Of Oakland County, Michigan
(From Novi Campus, LLC To Fox Run Village, Inc.)

COMMUNITY LOAN AGREEMENT

THIS COMMUNITY LOAN AGREEMENT (this "Loan Agreement") is made as of this 12th day of February, 2002 by and between FOX RUN VILLAGE, INC, a Maryland corporation ("FRV") located at 701 Maiden Choice Lane, Baltimore, Maryland 21228, and NOVI CAMPUS, LLC, a Maryland limited liability company ("NC"), located at 701 Maiden Choice Lane, Baltimore, Maryland 21228.

RECITALS

Pursuant to the terms of the Master Lease (all capitalized terms herein being defined in Section 1 below) between FRV and NC, FRV is in possession of the Retirement Community located in Novi, Michigan. FRV has entered or shall enter into Residence and Care Agreements with the prospective Residents of the Retirement Community and has or shall receive Entrance Deposits from such Residents, based upon the Schedule of Anticipated Entrance Deposits set forth in Exhibit A attached and incorporated hereto (as may be amended from time to time).

In order to finance the acquisition, development, improvement and construction of the Property and the Retirement Community, FRV and NC have determined that NC shall, from time to time, borrow from FRV the Loan, consisting of all Initial Entrance Deposits paid or to be paid by the Residents.

As collateral security for NC's payment and performance of its obligations under this Loan Agreement and the Note, NC shall execute the Mortgage in favor of FRV, encumbering the Property upon which the Retirement Community is located.

The parties intend that the aggregate Loan of all Entrance Deposits loaned by FRV to NC shall not exceed Four Hundred Five Million Dollars ($405,000,000). However, in the event that the outstanding principal sum of the Loan at any time meets or exceeds the aggregate Loan amount stated in this Loan Agreement, from time to time, FRV and NC agree to execute an amendment to this Loan Agreement and to any other Loan Documents, increasing the maximum permitted outstanding principal amount to Two Hundred percent (200%) of the then stated maximum permitted outstanding principal amount, or to such lesser sum as FRV and NC may agree upon.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, NC and FRV agree as follows:

1. Definitions. For the purposes of this Loan Agreement and the Loan Documents, the following terms shall have the indicated meanings:

Continuing Care Unit - The residential unit of a Resident at the Retirement Community, including independent living units, assisted living units and nursing units.

Date of Settlement - The date on which a Resident and FRV settle upon a Residence and Care Agreement for a Continuing Care Unit, which shall be the date when the Resident is authorized to take possession of the Continuing Care Unit.

Development Loan - The loans and other credit facilities extended to NC for the purpose of financing, directly or through credit support facilities, the acquisition, development, improvement and/or construction of the Property and the Retirement Community.

Disbursement Date -The date that any funds to be advanced to NC under this Loan Agreement come into possession of FRV, free of Regulatory Escrow Requirements.

Entrance Deposit - The deposit received from a Resident of the Retirement Community to secure the performance of such Resident's obligations under his or her Residence and Care Agreement.

FRV - Fox Run Village, Inc., a Maryland corporation authorized to do business in Michigan.

Initial Entrance Deposit – The Entrance Deposit received from the first Resident of a Unit.

Initial Move-In Period - The period for each Phase beginning with the punch-out of construction for such Phase and ending with the achievement of ninety-five percent (95%) occupancy of such Phase. Completion of the Initial Move-In Period shall be the achievement of the ninety-five percent (95%) occupancy level.

Interest Payment Date - The first day of each calendar month, on which date accrued interest on the Loan is due and payable.

Loan - The aggregate funds advanced from time to time by FRV to NC pursuant to this Loan Agreement and the other Loan Documents.

Loan Agreement - This Loan Agreement.

Loan Documents - A term sometimes used to refer collectively to this Loan Agreement, the Note, the Mortgage, and any other documents evidencing or securing the Loan.

Master Lease - The Master Lease and Use Agreement of even date herewith between FRV

and NC.

Mortgage - The mortgage or deed of trust of even date herewith granted by NC to FRV and encumbering the Property to secure NC's payment and performance of its obligations under this Loan Agreement and the Note.

NC - Novi Campus, LLC, a Maryland limited liability company authorized to do business in Michigan.

Note - Each promissory note to be executed by NC evidencing the Loan, in substantially the form attached hereto as Exhibit C.

Phase - Each interval of development of the Retirement Community, consisting of each building in which Continuing Care Units will be located.

Property - The real property of NC, consisting of approximately one hundred three (103) acres located in Novi, Michigan.

Regulatory Escrow - The escrow account (if any) established by FRV to hold Entrance Deposits pursuant to applicable Regulatory Escrow Requirements.

Regulatory Escrow Requirements - The state and local laws, regulations and orders (if any) applicable to the Retirement Community which require that Entrance Deposits (or any portion thereof) be deposited into escrow during the development and/or construction phases of the Retirement Community.

Residence and Care Agreement - The continuing care contract executed between FRV and each Resident of the Retirement Community, detailing the residential and other rights and obligations of the Resident and the rights and obligations of FRV.

Resident - Each occupant of the Retirement Community pursuant to a Residence and Care Agreement.

Retirement Community - The continuing care community located on the Property.

2. The Loan. Upon and subject to the terms and conditions set forth herein, FRV agrees to lend to NC, and NC agrees to borrow from FRV, a sum equal to the Initial Entrance Deposits received by FRV, to be disbursed as set forth herein.

3. Loan Disbursement. The Loan advance disbursed on each Disbursement Date shall be confirmed by written notice from FRV to NC. The Loan shall be disbursed as follows:

3.1. FRV agrees to disburse to NC on each Disbursement Date the Loan advance, consisting of the Initial Entrance Deposits, or any portion thereof, which are either (i) released from the Regulatory Escrow after the immediately preceding Disbursement Date, or (ii) if not required to be deposited upon receipt from each Resident into the Regulatory Escrow, received by FRV from each Resident occupying a Continuing Care Unit pursuant to a Residence and Care Agreement which has been settled after the immediately preceding Disbursement Date.

3.2. If, on the Date of Settlement of his or her Residence and Care Agreement, a Resident has not paid the required Initial Entrance Deposit in full, then FRV shall require such Resident to execute and deliver to FRV a promissory note with a maturity date of not more than twelve months from such Date of Settlement and bearing interest of not less than five percent (5%) per annum for the unpaid balance of the Initial Entrance Deposit. Upon payment of any interest and/or principal to FRV, FRV shall either (i) if required by Regulatory Escrow Requirements, deposit such payment into Regulatory Escrow or (ii) if not required to be deposited, disburse such payment to NC as a Loan advance.

4. Interest Payments.

4.1. During the Initial Move-In Period for each Phase, NC agrees to pay interest monthly on the aggregate Loan advances disbursed for such Phase at the rate of one-twelfth (1/12) of six and twenty-five hundreths percent (6.25%) per annum. The interest shall be payable to FRV monthly in arrears on the Interest Payment Date.

4.2. Upon the completion of the Initial Move-In Period for a Phase, the aggregate amount of the Loan shall be increased by the amount equal to the sum of the then applicable Entrance Deposits for all of the remaining unsettled Continuing Care Units in such Phase, plus the amounts outstanding, if any, of the Residents' promissory notes referenced in Section 3.2. above applicable to such Phase. Thereafter, as FRV receives the Initial Entrance Deposits on the remaining unsettled Continuing Care Units and payments of principal and interest on Residents' promissory notes evidencing all or any portion of an Initial Entrance Deposit, FRV shall disburse to NC such sums received as advances on the Loan, and such advances shall be confirmed by written notice from FRV to NC. Interest shall be due and payable on such Loan advances only from the date of such Loan advance.

4.3. FRV acknowledges and agrees that in the event that FRV fails to pay to NC any sums as and when due under the Master Lease, NC may offset against payments due under the Notes an amount equal to such sums not paid by FRV. In addition, FRV and NC acknowledge and agree that payments due from FRV to NC under this Loan Agreement shall be credited against sums due FRV from NC pursuant to the Master Lease.

5. The Note.

5.1. Upon completion of the Initial Move-In Period for each Phase, the total Loan for such Phase shall be evidenced by a Note in the form attached hereto as Exhibit C, and NC agrees to commence monthly payments on the Loan for such Phase calculated in accordance with the terms of this Section 5.1 and the form of Note attached hereto as Exhibit C. The Note for each Phase shall be for a sum certain, calculated in accordance with Section 4.2 of this Loan Agreement, with the monthly payment being calculated as if the aggregate face amount of principal of each Note is amortized in equal monthly installments over a forty (40) year term at the rate of six and twenty-five hundreths percent (6.25%), per annum (even though the full face amount of such Note has not been advanced as of the date of execution of such Note.) Due to the fact that the principal amount outstanding under any Note may increase due to the disbursement of certain Loan advances subsequent to the completion of the Initial Move-In Period for a Phase, the portion of such monthly payment allocated to the payment of interest under the Note for such Phase will increase upon NC's receipt of such additional Loan advances. Upon execution of each Note, the amount, date of execution, and maturity date of the Note for each Phase shall be confirmed on Exhibit D "Note Schedule," attached and incorporated hereto.

5.2. NC agrees to maintain accurate and complete books and records reflecting all sums advanced under the Loan, all payments thereunder, and the proper application of each monthly payment enter each Note to principal and interest under such Note. NC further agrees to provide to FRV, upon request, a written statement of the principal amount due under each Note, and the application of monthly payments under each Note.

6. Security by FRV.

6.1. The parties acknowledge that NC is relying on the commitment of FRV to advance funds in accordance with the terms of this Loan Agreement, and that in the event FRV defaults in such obligation, NC will suffer material adverse consequences. Consequently, as collateral security for FRV's obligations hereunder, FRV herewith assigns and sets over to NC all of its right, title and interest in and to (i) the Residence and Care Agreements; and (ii) the Entrance Deposits; and grants to NC a security interest therein. FRV will, on request, execute and cause to be filed in appropriate record offices any financing statements, continuation statements or other documents, including a collateral assignment, as may be necessary or appropriate to perfect such security interest. In the event of default by FRV in any of its obligations under this Loan Agreement, NC shall have the right to exercise all rights of FRV under the Residence and Care Agreements, including the right to enter into such modifications, terminations or amendments thereof as NC may deem appropriate (provided the rights of Residents to occupy the Continuing Care Units subject to their respective Residence and Care Agreements, and to receive the health care services provided for therein, are not impaired, and provided NC satisfies any laws, rules and

regulations applicable to NC exercising such rights), all without notice to or concurrence of FRV.

6.2. As additional security for all of FRV's obligations hereunder, and to the extent not prohibited by law, FRV assigns and sets over to NC all of FRV's right, title and interest in, to and under (i) all licenses, certificates of need, operating permits, franchises and other governmental authorizations and approvals now or hereafter existing with respect to the acquisition, construction, renovation, expansion, leasing, ownership and/or operation of the Retirement Community, including all certificates of need, licenses and other authorizations of any kind in connection with any nursing home or other health care facilities which are a part of the Retirement Community; (ii) any and all licenses issued by any governmental authority relating to the operation of food and beverage facilities and/or amenities; (iii) any and all third-party payment contracts under which payment may be made for services rendered at the Retirement Community, including, but not limited to, Certificate of Registration, Medicare and Medicaid provider agreements issued to FRV and the Retirement Community; and (iv) any and all personalty of FRV located on the Property and utilized in connection with the operation or maintenance of the Retirement Community; together with all additions to, modifications of and substitutions for any of the foregoing. FRV will, on request, execute and cause to be filed in appropriate record offices, any financing statements, continuation statements or other documents including a collateral assignment, as may be necessary or appropriate to perfect such security interest.

6.3. FRV acknowledges and agrees that NC has collaterally assigned this Loan Agreement and the other Loan Documents to Mercantile-Safe Deposit and Trust Company (the "Bank"), as security for the Development Loan made by the Bank to NC. FRV agrees to recognize the Bank and its successors or assigns rights to Loan advances upon FRV's receipt of written notice from the Bank that NC is in default under such Development Loan, and to execute and deliver such documents as the Bank may reasonably request to confirm such assignment.

7. Representations, Covenants and Warranties.

7.1. NC hereby represents, covenants and warrants as follows:

7.1.1. NC has been duly established as a Maryland limited liability company; is validly existing, authorized to do business and in good standing in the State of Maryland; is qualified to do business and in good standing in the State of Michigan; has full power and authority to own its assets and to conduct the activities in which it is engaged; and is in compliance in all material respects with all laws, regulations, ordinances, orders and other requirements of all governmental bodies or agencies applicable to it or its business activities. The copies of the Articles of Organization and the Operating Agreement submitted by NC are true and correct.

7.1.2. The borrowings evidenced by this Loan Agreement and the Note are duly within the power of NC, have been duly authorized, have received all necessary governmental approvals, and will not violate any provision of law, order of court or governmental agency, or any indenture, agreement or other instrument to which NC or any of its members is a party or is bound. This Loan Agreement and the Note, when executed and delivered by NC, shall constitute legal, valid, and binding obligations of NC, enforceable against NC according to their terms.

7.1.3. NC has good and marketable title to the Property described in the Mortgage, free and clear of all mortgages, security interests, liens and encumbrances, except for liens to secure the Development Loans and except for such items as are set forth on Exhibit E attached hereto.

7.2. Contemporaneous with the execution of this Loan Agreement, FRV covenants to deliver to NC:

7.2.1. A copy of the Articles of Incorporation and By-Laws of FRV;

7.2.2. A certificate as to FRV's qualification to do business in the State of Michigan or such other evidence of the due organization and valid existence of FRV as may be reasonably acceptable to NC; and

7.2.3. A resolution executed by the Board of Directors of FRV, consenting to the lending of the funds evidenced by the Loan and the execution and delivery of this Loan Agreement by FRV.

8. Conditions Precedent to Disbursement. In addition to any other condition stated herein, the following shall be conditions precedent to the initial disbursement of the Loan:

8.1. Contemporaneous with the execution of this Loan Agreement, NC shall deliver to FRV:

8.1.2. A copy of the Articles of Organization and Operating Agreement of NC;

8.1.3. Certificates as to the good standing of NC in the States of Maryland and Michigan;

8.1.4. A resolution executed by the members of NC, consenting to the borrowing of the funds evidenced by the Loan and the execution and delivery of this Loan Agreement, the Notes and the Mortgage by NC;

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8.1.5. The Note, in the form attached hereto as Exhibit C; and

8.1.6. The Mortgage, in a form acceptable to FRV.

8.2. All representations and warranties of NC shall be true and correct in all material respects.

8.3. There shall not have occurred and be continuing any default in the performance or observance of any of the covenants, agreements or conditions to be performed or observed by NC under any of the Loan Documents or the Master Lease nor shall there have occurred and be continuing any event, fact or circumstance which, with the passage of time, the giving or notice, or both, would constitute such a default.

9. Default.

9.1. Upon any failure by NC to make any payment of principal or interest under this Loan Agreement or the Note within ten (10) days after the due date thereof, FRV, at FRV's option may elect to terminate this Loan Agreement, in which event FRV's obligation to disburse Loan advances shall immediately terminate. FRV may also, in such event and at its sole discretion, declare the Notes to be immediately due and payable in full, and bring an action therefor, without necessity for presentment, demand, notice or protest, all of which are waived by NC.

9.2. Upon default by either party of its obligations under the Loan Documents, the other party shall have the right to seek damages or the remedy of specific performance.

10. Subordination. FRV agrees that it will subordinate the Mortgage to the operation and effect of any current or future mortgages, deeds of trust and security interests which NC has imposed or may impose on the Property in accordance with the Master Lease, including liens to secure Development Loans, and to consent to and recognize any pledge by NC to any holder of any Development Loans NC's interest in the Loan as security for such Development Loans.

11. Entire Agreement. This Loan Agreement and the other Loan Documents constitute the entire agreement between the parties in respect of the Loan, and there are no oral agreements between the parties in connection herewith. This Loan Agreement and the other Loan Documents may be amended only in writing executed by both parties.

12. Assignment. The rights and obligations of NC under the Loan Documents may be (i) assigned to any entity which becomes the landlord under the Master Lease or master tenant under any master lease which may replace the Master Lease and (ii) pledged to secure any Development Loans; however, neither FRV nor NC shall otherwise assign or pledge any of their respective rights

or obligations hereunder without the prior written consent of the other party. Notwithstanding the foregoing, in order to enable the Residents to receive refunds of their Entrance Deposits upon their departure from the Retirement Community, the following assignments shall occur without the necessity of any additional documentation:

(a) FRV shall conclusively be deemed to have assigned its rights and obligations hereunder, including its rights to receive repayment of the Loan, to any successor (either by voluntary or involuntary act or by operation of law) to its rights, title and interest under the Master Lease; and

(b) In the event the Master Lease is terminated for any reason, FRV shall conclusively be deemed to have assigned its rights and obligations hereunder, including its rights to receive repayment of the Loan, (i) to the entity legally responsible for the obligation to refund the Entrance Deposits to Residents upon their departure from the Retirement Community, or, in the event no entity or entities are legally responsible, then (ii) to NC. NC and FRV agree to execute and deliver such documents as may be requested by either party hereto to evidence, secure and assure the assignments contemplated by this Section.

13. Survival of Covenants. All representations, covenants and warranties made herein shall survive the making of the Loan and the delivery of the Note and other Loan Documents.

14. Governing Law. This Loan Agreement and all of the other Loan Documents shall be governed by the law of the State of Maryland, and venue for any proceedings under this Loan Agreement shall be in the State of Maryland.

15. Severability. In the event that any provision of this Loan Agreement or any other Loan Document is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remainder of this Loan Agreement and other Loan Documents, which shall remain in full force and effect and shall be construed as though they had not contained the invalid or unenforceable provision.

16. Limitation on Liability of Members. The parties hereby agree and confirm that upon the occurrence of any default under any provision of this Loan Agreement or any other Loan Document, if any judicial proceedings to enforce the obligations of either party are brought by the other party, such proceedings shall be limited to the property and assets of the party against whom enforcement is being sought (which, in the case of FRV, includes but is not limited to the Entrance Deposits in FRV's possession or control, to the extent not prohibited by Regulatory Escrow Requirements and other applicable law). No judgment or suit shall be sought or obtained by any party against the members or any officer, director or employee of a member of the other party or against the assets of such persons or entities. Nothing herein contained shall limit or impair the liability of a member of a party for any obligation arising independently of their status as a member of such party.

17. Successors and Assigns. The covenants herein shall be binding upon, and the rights hereunder shall inure to the benefit of, the parties, their personal representatives, successors and assigns.

18. Waiver. No delay on the part of FRV in exercising any of its rights under this Loan Agreement or the Note shall operate as a waiver thereof, and no single or partial exercise of any such rights (including acceptance of late payments by FRV) shall preclude other or further exercise thereof or the exercise of any other rights. Waiver by FRV of any default by NC, or any other party, shall not constitute a waiver of any subsequent defaults but shall be restricted to the default so waived.

19. Notices. Any notice required or permitted by this Loan Agreement or the other Loan Documents, to be given by either party to the other, may be either personally delivered or sent by certified mail, properly addressed and prepaid, to the addresses of the parties set forth in Exhibit B hereof, unless another address shall have been substituted for such address by notice in writing, the date of so depositing or of personal delivery being taken as the date of the giving of such notice.

20. Exhibits. The following Exhibits are attached hereto and are hereby made a part hereof:

Exhibit A - Schedule of Anticipated Entrance Deposits
Exhibit B - Notice Addresses
Exhibit C - Form of Promissory Note
Exhibit D - Note Schedule
Exhibit E – Title Exceptions

IN WITNESS WHEREOF, the parties hereto have caused this Community Loan Agreement to be duly executed as of the date first above written.

WITNESS:

FOX RUN VILLAGE, INC.

By: _____(SEAL)
Bruce R. Grindrod, Jr.
President

WITNESS:

NOVI CAMPUS, LLC
By: ERICKSON RETIREMENT COMMUNITIES, LLC, Member

By: _____(SEAL)
Andrew V. Aldi,
Chief Operating Officer and
Executive Vice President

APPROVED AS TO LEGAL SUFFICIENCY

LOAN AGREEMENT

EXHIBIT A

SCHEDULE OF ANTICIPATED ENTRANCE DEPOSITS

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Jun-03

Residential Building 1.1		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	74,000	-	-
Efficiency	A3	Albright	91,000	-	-
Studio	B2	Abbott	113,000	-	-
Studio	B?	?	113,000	-	-
Studio	B4	Avalon	113,000	2	226,000
1 BR	C1	Brighton	156,000	22	3,432,000
1 BR	C5	Bradford	143,000	-	-
Large 1 BR	C2	Ellicott	180,000	-	-
Large 1 BR	C8	Dawson	179,000	2	358,000
Large 1 BR	C3	Dover	178,000	4	712,000
Large 1 BR	C4	Fremont	187,000	-	-
Large 1 BR	C7	Fenwick	171,000	2	342,000
Large 1 BR	C11	Easton	166,000	1	166,000
Large 1 BR	C12	?	192,000	-	-
Large 1 BR-1-1/2B	G10	Hamilton	211,000	3	633,000
1 BR & Den	D1	Georgetown	208,000	4	832,000
1 BR & Den	D2	Gilbert	208,000	4	832,000
1 BR & Den	D5	Glendale	208,000	-	-
1 BR & Den	D6	Gibson	208,000	4	832,000
2 BR-1B	E1	Flagstaff	196,000	3	588,000
2 BR-1B	E1m	Fallston	196,000	4	784,000
2 BR-1B	E2	Fairmont	207,000	7	1,449,000
2 BR-1B	E3	Franklin	218,000	-	-
2 BR-1B	G4	Harrison	218,000	8	1,744,000
2 BR-(1-1/2)B	E4	Hastings	242,000	7	1,694,000
1 BR-(1-1/2)B	H2	Heritage	208,000	-	-
2 BR-2B	F3	Kingston	275,000	5	1,375,000
2 BR-2B Large	F4	Manchester	315,000	10	3,150,000
2 BR-2B with Den	F6	Monterey	315,000	-	-
2 BR-2B with Den	F8	Worthington	315,000	-	-
2 BR-2B	G6	Jackson	275,000	6	1,650,000
2 BR-2B Large	H1	Lancaster	368,000	5	1,840,000
2 BR-2B Large	J3	Washington	376,000	-	-
Projected Deposits without Amenities				**103**	**22,639,000**
Total Amenities					**79,800**
Total Projected Deposits					**22,718,800**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Oct-03

Residential Building 1.2		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	74,000	-	-
Efficiency	A3	Albright	91,000	1	91,000
Studio	B2	Abbott	113,000	-	-
Studio	B?	?	113,000	-	-
Studio	B4	Avalon	113,000	-	-
1 BR	C1	Brighton	156,000	17	2,652,000
1 BR	C5	Bradford	143,000	-	-
Large 1 BR	C2	Ellicott	180,000	-	-
Large 1 BR	C8	Dawson	179,000	2	358,000
Large 1 BR	C3	Dover	178,000	-	-
Large 1 BR	C4	Fremont	187,000	5	935,000
Large 1 BR	C7	Fenwick	171,000	-	-
Large 1 BR	C11	Easton	166,000	-	-
Large 1 BR	C12	?	192,000	-	-
Large 1 BR-1-1/2B	G10	Hamilton	211,000	5	1,055,000
1 BR & Den	D1	Georgetown	208,000	3	624,000
1 BR & Den	D2	Gilbert	208,000	3	624,000
1 BR & Den	D5	Glendale	208,000	-	-
1 BR & Den	D6	Gibson	208,000	-	-
2 BR-1B	E1	Flagstaff	196,000	10	1,960,000
2 BR-1B	E1m	Fallston	196,000	-	-
2 BR-1B	E2	Fairmont	207,000	8	1,656,000
2 BR-1B	E3	Franklin	218,000	-	-
2 BR-1B	G4	Harrison	218,000	7	1,526,000
2 BR-(1-1/2)B	E4	Hastings	242,000	5	1,210,000
1 BR-(1-1/2)B	H2	Heritage	208,000	-	-
2 BR-2B	F3	Kingston	275,000	10	2,750,000
2 BR-2B Large	F4	Manchester	315,000	10	3,150,000
2 BR-2B with Den	F6	Monterey	315,000	-	-
2 BR-2B with Den	F8	Worthington	315,000	-	-
2 BR-2B	G6	Jackson	275,000	8	2,200,000
2 BR-2B Large	H1	Lancaster	368,000	5	1,840,000
2 BR-2B Large	J3	Washington	376,000	-	-
Projected Deposits without Amenities				**99**	**22,631,000**
Total Amenities					**77,280**
Total Projected Deposits					**22,708,280**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Mar-04

Residential Building 1.3		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	76,220	-	-
Efficiency	A3	Albright	93,730	-	-
Studio	B2	Abbott	116,390	-	-
Studio	B?	?	116,390	-	-
Studio	B4	Avalon	116,390	-	-
1 BR	C1	Brighton	160,680	18	2,892,240
1 BR	C5	Bradford	147,290	-	-
Large 1 BR	C2	Ellicott	185,400	-	-
Large 1 BR	C8	Dawson	184,370	2	368,740
Large 1 BR	C3	Dover	183,340	5	916,700
Large 1 BR	C4	Fremont	192,610	6	1,155,660
Large 1 BR	C7	Fenwick	176,130	-	-
Large 1 BR	C11	Easton	170,980	-	-
Large 1 BR	C12	?	197,760	-	-
Large 1 BR-1-1/2B	G10	Hamilton	217,330	5	1,086,650
1 BR & Den	D1	Georgetown	214,240	5	1,071,200
1 BR & Den	D2	Gilbert	214,240	4	856,960
1 BR & Den	D5	Glendale	214,240	-	-
1 BR & Den	D6	Gibson	214,240	6	1,285,440
2 BR-1B	E1	Flagstaff	201,880	11	2,220,680
2 BR-1B	E1m	Fallston	201,880	6	1,211,280
2 BR-1B	E2	Fairmont	213,210	10	2,132,100
2 BR-1B	E3	Franklin	224,540	-	-
2 BR-1B	G4	Harrison	224,540	10	2,245,400
2 BR-(1-1/2)B	E4	Hastings	249,260	5	1,246,300
1 BR-(1-1/2)B	H2	Heritage	214,240	-	-
2 BR-2B	F3	Kingston	283,250	5	1,416,250
2 BR-2B Large	F4	Manchester	324,450	-	-
2 BR-2B with Den	F6	Monterey	324,450	-	-
2 BR-2B with Den	F8	Worthington	324,450	-	-
2 BR-2B	G6	Jackson	283,250	6	1,699,500
2 BR-2B Large	H1	Lancaster	379,040	6	2,274,240
2 BR-2B Large	J3	Washington	387,280	-	-
Projected Deposits without Amenities				**110**	**24,079,340**
Total Amenities					**84,000**
Total Projected Deposits					**24,163,340**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Sep-04

Residential Building 1.4		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	76,220	-	-
Efficiency	A3	Albright	93,730	1	93,730
Studio	B2	Abbott	116,390	-	-
Studio	B?	?	116,390	-	-
Studio	B4	Avalon	116,390	-	-
1 BR	C1	Brighton	160,680	15	2,410,200
1 BR	C5	Bradford	147,290	-	-
Large 1 BR	C2	Ellicott	185,400	2	370,800
Large 1 BR	C8	Dawson	184,370	2	368,740
Large 1 BR	C3	Dover	183,340	-	-
Large 1 BR	C4	Fremont	192,610	11	2,118,710
Large 1 BR	C7	Fenwick	176,130	1	176,130
Large 1 BR	C11	Easton	170,980	-	-
Large 1 BR	C12	?	197,760	-	-
Large 1 BR-1-1/2B	G10	Hamilton	217,330	4	869,320
1 BR & Den	D1	Georgetown	214,240	5	1,071,200
1 BR & Den	D2	Gilbert	214,240	-	-
1 BR & Den	D5	Glendale	214,240	-	-
1 BR & Den	D6	Gibson	214,240	5	1,071,200
2 BR-1B	E1	Flagstaff	201,880	11	2,220,680
2 BR-1B	E1m	Fallston	201,880	5	1,009,400
2 BR-1B	E2	Fairmont	213,210	9	1,918,890
2 BR-1B	E3	Franklin	224,540	4	898,160
2 BR-1B	G4	Harrison	224,540	6	1,347,240
2 BR-(1-1/2)B	E4	Hastings	249,260	7	1,744,820
1 BR-(1-1/2)B	H2	Heritage	214,240	-	-
2 BR-2B	F3	Kingston	283,250	5	1,416,250
2 BR-2B Large	F4	Manchester	324,450	-	-
2 BR-2B with Den	F6	Monterey	324,450	-	-
2 BR-2B with Den	F8	Worthington	324,450	5	1,622,250
2 BR-2B	G6	Jackson	283,250	11	3,115,750
2 BR-2B Large	H1	Lancaster	379,040	5	1,895,200
2 BR-2B Large	J3	Washington	387,280	-	-
Projected Deposits without Amenities				**114**	**25,738,670**
Total Amenities					**89,040**
Total Projected Deposits					**25,827,710**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Mar-05

Residential Building 1.5		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	78,507	-	-
Efficiency	A3	Albright	96,542	-	-
Studio	B2	Abbott	119,882	-	-
Studio	B?	?	119,882	-	-
Studio	B4	Avalon	119,882	2	239,763
1 BR	C1	Brighton	165,500	21	3,475,508
1 BR	C5	Bradford	151,709	-	-
Large 1 BR	C2	Ellicott	190,962	-	-
Large 1 BR	C8	Dawson	189,901	2	379,802
Large 1 BR	C3	Dover	188,840	-	-
Large 1 BR	C4	Fremont	198,388	5	991,942
Large 1 BR	C7	Fenwick	181,414	-	-
Large 1 BR	C11	Easton	176,109	-	-
Large 1 BR	C12	?	203,693	-	-
Large 1 BR-1-1/2B	G10	Hamilton	223,850	6	1,343,099
1 BR & Den	D1	Georgetown	220,667	6	1,324,003
1 BR & Den	D2	Gilbert	220,667	5	1,103,336
1 BR & Den	D5	Glendale	220,667	-	-
1 BR & Den	D6	Gibson	220,667	5	1,103,336
2 BR-1B	E1	Flagstaff	207,936	5	1,039,682
2 BR-1B	E1m	Fallston	207,936	5	1,039,682
2 BR-1B	E2	Fairmont	219,606	9	1,976,457
2 BR-1B	E3	Franklin	231,276	6	1,387,657
2 BR-1B	G4	Harrison	231,276	8	1,850,210
2 BR-(1-1/2)B	E4	Hastings	256,738	11	2,824,116
1 BR-(1-1/2)B	H2	Heritage	220,667	1	220,667
2 BR-2B	F3	Kingston	291,748	11	3,209,223
2 BR-2B Large	F4	Manchester	334,184	-	-
2 BR-2B with Den	F6	Monterey	334,184	-	-
2 BR-2B with Den	F8	Worthington	334,184	-	-
2 BR-2B	G6	Jackson	291,748	8	2,333,980
2 BR-2B Large	H1	Lancaster	390,411	3	1,171,234
2 BR-2B Large	J3	Washington	398,898	-	-
Projected Deposits without Amenities				**119**	**27,013,697**
Total Amenities					**93,240**
Total Projected Deposits					**27,106,937**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Sep-05

Residential Building 2.1		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	78,507	-	-
Efficiency	A3	Albright	96,542	-	-
Studio	B2	Abbott	119,882	-	-
Studio	B?	?	119,882	-	-
Studio	B4	Avalon	119,882	1	119,882
1 BR	C1	Brighton	165,500	22	3,641,009
1 BR	C5	Bradford	151,709	-	-
Large 1 BR	C2	Ellicott	190,962	-	-
Large 1 BR	C8	Dawson	189,901	2	379,802
Large 1 BR	C3	Dover	188,840	5	944,201
Large 1 BR	C4	Fremont	198,388	10	1,983,883
Large 1 BR	C7	Fenwick	181,414	2	362,828
Large 1 BR	C11	Easton	176,109	6	1,056,656
Large 1 BR	C12	?	203,693	-	-
Large 1 BR-1-1/2B	G10	Hamilton	223,850	-	-
1 BR & Den	D1	Georgetown	220,667	4	882,669
1 BR & Den	D2	Gilbert	220,667	4	882,669
1 BR & Den	D5	Glendale	220,667	-	-
1 BR & Den	D6	Gibson	220,667	11	2,427,339
2 BR-1B	E1	Flagstaff	207,936	5	1,039,682
2 BR-1B	E1m	Fallston	207,936	11	2,287,300
2 BR-1B	E2	Fairmont	219,606	9	1,976,457
2 BR-1B	E3	Franklin	231,276	5	1,156,381
2 BR-1B	G4	Harrison	231,276	1	231,276
2 BR-(1-1/2)B	E4	Hastings	256,738	12	3,080,854
1 BR-(1-1/2)B	H2	Heritage	220,667	-	-
2 BR-2B	F3	Kingston	291,748	6	1,750,485
2 BR-2B Large	F4	Manchester	334,184	-	-
2 BR-2B with Den	F6	Monterey	334,184	-	-
2 BR-2B with Den	F8	Worthington	334,184	-	-
2 BR-2B	G6	Jackson	291,748	18	5,251,455
2 BR-2B Large	H1	Lancaster	390,411	6	2,342,467
2 BR-2B Large	J3	Washington	398,898	-	-
Projected Deposits without Amenities				**140**	**31,797,295**
Total Amenities					**116,760**
Total Projected Deposits					**31,914,055**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Apr-06

Residential Building 2.2		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	80,862	-	-
Efficiency	A3	Albright	99,438	1	99,438
Studio	B2	Abbott	123,478	5	617,391
Studio	B?	?	123,478	-	-
Studio	B4	Avalon	123,478	-	-
1 BR	C1	Brighton	170,465	15	2,556,981
1 BR	C5	Bradford	156,260	-	-
Large 1 BR	C2	Ellicott	196,691	-	-
Large 1 BR	C8	Dawson	195,598	1	195,598
Large 1 BR	C3	Dover	194,505	5	972,527
Large 1 BR	C4	Fremont	204,340	-	-
Large 1 BR	C7	Fenwick	186,856	1	186,856
Large 1 BR	C11	Easton	181,393	-	-
Large 1 BR	C12	?	209,804	-	-
Large 1 BR-1-1/2B	G10	Hamilton	230,565	-	-
1 BR & Den	D1	Georgetown	227,287	-	-
1 BR & Den	D2	Gilbert	227,287	-	-
1 BR & Den	D5	Glendale	227,287	5	1,136,436
1 BR & Den	D6	Gibson	227,287	5	1,136,436
2 BR-1B	E1	Flagstaff	214,174	-	-
2 BR-1B	E1m	Fallston	214,174	5	1,070,872
2 BR-1B	E2	Fairmont	226,194	4	904,778
2 BR-1B	E3	Franklin	238,214	-	-
2 BR-1B	G4	Harrison	238,214	9	2,143,930
2 BR-(1-1/2)B	E4	Hastings	264,440	10	2,644,399
1 BR-(1-1/2)B	H2	Heritage	227,287	-	-
2 BR-2B	F3	Kingston	300,500	5	1,502,500
2 BR-2B Large	F4	Manchester	344,209	10	3,442,090
2 BR-2B with Den	F6	Monterey	344,209	-	-
2 BR-2B with Den	F8	Worthington	344,209	4	1,376,836
2 BR-2B	G6	Jackson	300,500	10	3,004,999
2 BR-2B Large	H1	Lancaster	402,124	5	2,010,618
2 BR-2B Large	J3	Washington	410,865	-	-
Projected Deposits without Amenities				**100**	**25,002,686**
Total Amenities					**76,440**
Total Projected Deposits					**25,079,126**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Sep-06

Residential Building 2.3		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	80,862	-	-
Efficiency	A3	Albright	99,438	-	-
Studio	B2	Abbott	123,478	-	-
Studio	B?	?	123,478	1	123,478
Studio	B4	Avalon	123,478	-	-
1 BR	C1	Brighton	170,465	12	2,045,585
1 BR	C5	Bradford	156,260	6	937,560
Large 1 BR	C2	Ellicott	196,691	1	196,691
Large 1 BR	C8	Dawson	195,598	1	195,598
Large 1 BR	C3	Dover	194,505	-	-
Large 1 BR	C4	Fremont	204,340	5	1,021,700
Large 1 BR	C7	Fenwick	186,856	-	-
Large 1 BR	C11	Easton	181,393	1	181,393
Large 1 BR	C12	?	209,804	5	1,049,018
Large 1 BR-1-1/2B	G10	Hamilton	230,565	4	922,262
1 BR & Den	D1	Georgetown	227,287	5	1,136,436
1 BR & Den	D2	Gilbert	227,287	-	-
1 BR & Den	D5	Glendale	227,287	-	-
1 BR & Den	D6	Gibson	227,287	5	1,136,436
2 BR-1B	E1	Flagstaff	214,174	5	1,070,872
2 BR-1B	E1m	Fallston	214,174	5	1,070,872
2 BR-1B	E2	Fairmont	226,194	5	1,130,972
2 BR-1B	E3	Franklin	238,214	4	952,858
2 BR-1B	G4	Harrison	238,214	7	1,667,501
2 BR-(1-1/2)B	E4	Hastings	264,440	16	4,231,039
1 BR-(1-1/2)B	H2	Heritage	227,287	1	227,287
2 BR-2B	F3	Kingston	300,500	-	-
2 BR-2B Large	F4	Manchester	344,209	12	4,130,508
2 BR-2B with Den	F6	Monterey	344,209	-	-
2 BR-2B with Den	F8	Worthington	344,209	5	1,721,045
2 BR-2B	G6	Jackson	300,500	-	-
2 BR-2B Large	H1	Lancaster	402,124	4	1,608,494
2 BR-2B Large	J3	Washington	410,865	6	2,465,192
Projected Deposits without Amenities				**116**	**29,222,798**
Total Amenities					**90,720**
Total Projected Deposits					**29,313,518**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Apr-07

Residential Building 2.4		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	83,288	-	-
Efficiency	A3	Albright	102,421	-	-
Studio	B2	Abbott	127,182	-	-
Studio	B?	?	127,182	-	-
Studio	B4	Avalon	127,182	4	508,730
1 BR	C1	Brighton	175,579	19	3,336,008
1 BR	C5	Bradford	160,948	6	965,687
Large 1 BR	C2	Ellicott	202,592	-	-
Large 1 BR	C8	Dawson	201,466	2	402,932
Large 1 BR	C3	Dover	200,341	-	-
Large 1 BR	C4	Fremont	210,470	5	1,052,351
Large 1 BR	C7	Fenwick	192,462	-	-
Large 1 BR	C11	Easton	186,834	-	-
Large 1 BR	C12	?	216,098	-	-
Large 1 BR-1-1/2B	G10	Hamilton	237,482	-	-
1 BR & Den	D1	Georgetown	234,106	4	936,423
1 BR & Den	D2	Gilbert	234,106	4	936,423
1 BR & Den	D5	Glendale	234,106	-	-
1 BR & Den	D6	Gibson	234,106	5	1,170,529
2 BR-1B	E1	Flagstaff	220,600	-	-
2 BR-1B	E1m	Fallston	220,600	5	1,102,999
2 BR-1B	E2	Fairmont	232,980	10	2,329,803
2 BR-1B	E3	Franklin	245,361	5	1,226,805
2 BR-1B	G4	Harrison	245,361	3	736,083
2 BR-(1-1/2)B	E4	Hastings	272,373	5	1,361,866
1 BR-(1-1/2)B	H2	Heritage	234,106	-	-
2 BR-2B	F3	Kingston	309,515	6	1,857,090
2 BR-2B Large	F4	Manchester	354,535	-	-
2 BR-2B with Den	F6	Monterey	354,535	-	-
2 BR-2B with Den	F8	Worthington	354,535	-	-
2 BR-2B	G6	Jackson	309,515	8	2,476,119
2 BR-2B Large	H1	Lancaster	414,187	5	2,070,936
2 BR-2B Large	J3	Washington	423,191	6	2,539,148
Projected Deposits without Amenities				**102**	**25,009,931**
Total Amenities					**83,160**
Total Projected Deposits					**25,093,091**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Jul-07

Residential Building 2.5		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	83,288	-	-
Efficiency	A3	Albright	102,421	-	-
Studio	B2	Abbott	127,182	-	-
Studio	B?	?	127,182	-	-
Studio	B4	Avalon	127,182	1	127,182
1 BR	C1	Brighton	175,579	18	3,160,429
1 BR	C5	Bradford	160,948	-	-
Large 1 BR	C2	Ellicott	202,592	-	-
Large 1 BR	C8	Dawson	201,466	1	201,466
Large 1 BR	C3	Dover	200,341	4	801,362
Large 1 BR	C4	Fremont	210,470	5	1,052,351
Large 1 BR	C7	Fenwick	192,462	-	-
Large 1 BR	C11	Easton	186,834	-	-
Large 1 BR	C12	?	216,098	-	-
Large 1 BR-1-1/2B	G10	Hamilton	237,482	-	-
1 BR & Den	D1	Georgetown	234,106	4	936,423
1 BR & Den	D2	Gilbert	234,106	3	702,317
1 BR & Den	D5	Glendale	234,106	-	-
1 BR & Den	D6	Gibson	234,106	5	1,170,529
2 BR-1B	E1	Flagstaff	220,600	5	1,102,999
2 BR-1B	E1m	Fallston	220,600	5	1,102,999
2 BR-1B	E2	Fairmont	232,980	3	698,941
2 BR-1B	E3	Franklin	245,361	-	-
2 BR-1B	G4	Harrison	245,361	9	2,208,248
2 BR-(1-1/2)B	E4	Hastings	272,373	4	1,089,493
1 BR-(1-1/2)B	H2	Heritage	234,106	-	-
2 BR-2B	F3	Kingston	309,515	10	3,095,149
2 BR-2B Large	F4	Manchester	354,535	-	-
2 BR-2B with Den	F6	Monterey	354,535	-	-
2 BR-2B with Den	F8	Worthington	354,535	-	-
2 BR-2B	G6	Jackson	309,515	9	2,785,634
2 BR-2B Large	H1	Lancaster	414,187	5	2,070,936
2 BR-2B Large	J3	Washington	423,191	-	-
Projected Deposits without Amenities				**91**	**22,306,459**
Total Amenities					**68,880**
Total Projected Deposits					**22,375,339**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Oct-07

Residential Building 3.1		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	83,288	-	-
Efficiency	A3	Albright	102,421	-	-
Studio	B2	Abbott	127,182	-	-
Studio	B?	?	127,182	-	-
Studio	B4	Avalon	127,182	-	-
1 BR	C1	Brighton	175,579	17	2,984,849
1 BR	C5	Bradford	160,948	4	643,791
Large 1 BR	C2	Ellicott	202,592	-	-
Large 1 BR	C8	Dawson	201,466	2	402,932
Large 1 BR	C3	Dover	200,341	-	-
Large 1 BR	C4	Fremont	210,470	11	2,315,172
Large 1 BR	C7	Fenwick	192,462	2	384,924
Large 1 BR	C11	Easton	186,834	-	-
Large 1 BR	C12	?	216,098	-	-
Large 1 BR-1-1/2B	G10	Hamilton	237,482	-	-
1 BR & Den	D1	Georgetown	234,106	5	1,170,529
1 BR & Den	D2	Gilbert	234,106	5	1,170,529
1 BR & Den	D5	Glendale	234,106	-	-
1 BR & Den	D6	Gibson	234,106	5	1,170,529
2 BR-1B	E1	Flagstaff	220,600	11	2,426,597
2 BR-1B	E1m	Fallston	220,600	5	1,102,999
2 BR-1B	E2	Fairmont	232,980	8	1,863,843
2 BR-1B	E3	Franklin	245,361	-	-
2 BR-1B	G4	Harrison	245,361	2	490,722
2 BR-(1-1/2)B	E4	Hastings	272,373	-	-
1 BR-(1-1/2)B	H2	Heritage	234,106	-	-
2 BR-2B	F3	Kingston	309,515	6	1,857,090
2 BR-2B Large	F4	Manchester	354,535	12	4,254,423
2 BR-2B with Den	F6	Monterey	354,535	-	-
2 BR-2B with Den	F8	Worthington	354,535	-	-
2 BR-2B	G6	Jackson	309,515	9	2,785,634
2 BR-2B Large	H1	Lancaster	414,187	5	2,070,936
2 BR-2B Large	J3	Washington	423,191	5	2,115,957
Projected Deposits without Amenities				**114**	**29,211,456**
Total Amenities					**94,080**
Total Projected Deposits					**29,305,536**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Apr-08

Residential Building 3.2		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	85,786	-	-
Efficiency	A3	Albright	105,494	-	-
Studio	B2	Abbott	130,998	-	-
Studio	B?	?	130,998	-	-
Studio	B4	Avalon	130,998	-	-
1 BR	C1	Brighton	180,847	7	1,265,927
1 BR	C5	Bradford	165,776	4	663,105
Large 1 BR	C2	Ellicott	208,669	-	-
Large 1 BR	C8	Dawson	207,510	1	207,510
Large 1 BR	C3	Dover	206,351	5	1,031,754
Large 1 BR	C4	Fremont	216,784	5	1,083,921
Large 1 BR	C7	Fenwick	198,236	2	396,472
Large 1 BR	C11	Easton	192,439	-	-
Large 1 BR	C12	?	222,581	-	-
Large 1 BR-1-1/2B	G10	Hamilton	244,607	-	-
1 BR & Den	D1	Georgetown	241,129	4	964,516
1 BR & Den	D2	Gilbert	241,129	4	964,516
1 BR & Den	D5	Glendale	241,129	-	-
1 BR & Den	D6	Gibson	241,129	5	1,205,645
2 BR-1B	E1	Flagstaff	227,218	5	1,136,089
2 BR-1B	E1m	Fallston	227,218	5	1,136,089
2 BR-1B	E2	Fairmont	239,970	4	959,879
2 BR-1B	E3	Franklin	252,722	-	-
2 BR-1B	G4	Harrison	252,722	-	-
2 BR-(1-1/2)B	E4	Hastings	280,544	11	3,085,988
1 BR-(1-1/2)B	H2	Heritage	241,129	-	-
2 BR-2B	F3	Kingston	318,800	5	1,594,002
2 BR-2B Large	F4	Manchester	365,171	-	-
2 BR-2B with Den	F6	Monterey	365,171	3	1,095,514
2 BR-2B with Den	F8	Worthington	365,171	-	-
2 BR-2B	G6	Jackson	318,800	8	2,550,403
2 BR-2B Large	H1	Lancaster	426,613	4	1,706,451
2 BR-2B Large	J3	Washington	435,887	5	2,179,435
Projected Deposits without Amenities				**87**	**23,227,215**
Total Amenities					**73,080**
Total Projected Deposits					**23,300,295**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Aug-08

Residential Building 3.3		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	85,786	-	-
Efficiency	A3	Albright	105,494	-	-
Studio	B2	Abbott	130,998	-	-
Studio	B?	?	130,998	-	-
Studio	B4	Avalon	130,998	-	-
1 BR	C1	Brighton	180,847	18	3,255,242
1 BR	C5	Bradford	165,776	-	-
Large 1 BR	C2	Ellicott	208,669	1	208,669
Large 1 BR	C8	Dawson	207,510	2	415,020
Large 1 BR	C3	Dover	206,351	5	1,031,754
Large 1 BR	C4	Fremont	216,784	5	1,083,921
Large 1 BR	C7	Fenwick	198,236	-	-
Large 1 BR	C11	Easton	192,439	1	192,439
Large 1 BR	C12	?	222,581	-	-
Large 1 BR-1-1/2B	G10	Hamilton	244,607	4	978,427
1 BR & Den	D1	Georgetown	241,129	3	723,387
1 BR & Den	D2	Gilbert	241,129	3	723,387
1 BR & Den	D5	Glendale	241,129	-	-
1 BR & Den	D6	Gibson	241,129	5	1,205,645
2 BR-1B	E1	Flagstaff	227,218	5	1,136,089
2 BR-1B	E1m	Fallston	227,218	5	1,136,089
2 BR-1B	E2	Fairmont	239,970	8	1,919,758
2 BR-1B	E3	Franklin	252,722	4	1,010,887
2 BR-1B	G4	Harrison	252,722	6	1,516,330
2 BR-(1-1/2)B	E4	Hastings	280,544	9	2,524,899
1 BR-(1-1/2)B	H2	Heritage	241,129	-	-
2 BR-2B	F3	Kingston	318,800	10	3,188,004
2 BR-2B Large	F4	Manchester	365,171	-	-
2 BR-2B with Den	F6	Monterey	365,171	-	-
2 BR-2B with Den	F8	Worthington	365,171	-	-
2 BR-2B	G6	Jackson	318,800	10	3,188,004
2 BR-2B Large	H1	Lancaster	426,613	5	2,133,064
2 BR-2B Large	J3	Washington	435,887	-	-
Projected Deposits without Amenities				**109**	**27,571,015**
Total Amenities					**85,680**
Total Projected Deposits					**27,656,695**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Feb-09

Residential Building 3.4		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	88,360	1	88,360
Efficiency	A3	Albright	108,659	-	-
Studio	B2	Abbott	134,928	-	-
Studio	B?	?	134,928	-	-
Studio	B4	Avalon	134,928	1	134,928
1 BR	C1	Brighton	186,272	15	2,794,082
1 BR	C5	Bradford	170,749	-	-
Large 1 BR	C2	Ellicott	214,929	-	-
Large 1 BR	C8	Dawson	213,735	2	427,471
Large 1 BR	C3	Dover	212,541	5	1,062,707
Large 1 BR	C4	Fremont	223,288	5	1,116,439
Large 1 BR	C7	Fenwick	204,183	-	-
Large 1 BR	C11	Easton	198,213	-	-
Large 1 BR	C12	?	229,258	-	-
Large 1 BR-1-1/2B	G10	Hamilton	251,945	5	1,259,725
1 BR & Den	D1	Georgetown	248,363	3	745,089
1 BR & Den	D2	Gilbert	248,363	-	-
1 BR & Den	D5	Glendale	248,363	-	-
1 BR & Den	D6	Gibson	248,363	5	1,241,814
2 BR-1B	E1	Flagstaff	234,034	5	1,170,171
2 BR-1B	E1m	Fallston	234,034	5	1,170,171
2 BR-1B	E2	Fairmont	247,169	8	1,977,351
2 BR-1B	E3	Franklin	260,303	5	1,301,517
2 BR-1B	G4	Harrison	260,303	5	1,301,517
2 BR-(1-1/2)B	E4	Hastings	288,961	6	1,733,764
1 BR-(1-1/2)B	H2	Heritage	248,363	-	-
2 BR-2B	F3	Kingston	328,364	-	-
2 BR-2B Large	F4	Manchester	376,126	-	-
2 BR-2B with Den	F6	Monterey	376,126	-	-
2 BR-2B with Den	F8	Worthington	376,126	4	1,504,506
2 BR-2B	G6	Jackson	328,364	8	2,626,915
2 BR-2B Large	H1	Lancaster	439,411	5	2,197,056
2 BR-2B Large	J3	Washington	448,964	-	-
Projected Deposits without Amenities				**93**	**23,853,583**
Total Amenities					**73,080**
Total Projected Deposits					**23,926,663**

LOAN AGREEMENT

EXHIBIT B

NOTICE ADDRESSES

Notice shall be given as follows:

FRV: 701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: Legal Department

NC: 701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: Legal Department

LOAN AGREEMENT

EXHIBIT C

FORM OF PROMISSORY NOTE

_____, 200_ $_____

COMMUNITY LOAN NOTE - PHASE

FOR VALUE RECEIVED, Novi Campus, LLC ("NC") promises to pay to the order of Fox Run Village, Inc. ("FRV") at FRV's offices 701 Maiden Choice Lane, Baltimore, Maryland 21228, the aggregate principal sum of _____ ($_____), or such portion thereof as may have been advanced, from time to time, together with interest thereon at the rate hereinafter provided and any and all other sums which may be owing to the holder this Note by NC, on _____ (the "Maturity Date"). The following terms shall apply to this Note:

1. Interest Rate. For the period from the date of this Note until the Maturity Date, interest shall accrue on the outstanding principal of this Note at the rate of six and seven tenths percent (6.7%) per annum of the outstanding principal of the Note.

2. Repayment. NC agrees to pay to FRV equal monthly installments of principal and interest in the amount of $_____. Such monthly amount has been calculated based on amortizing the aggregate face principal amount of this Note at 6.25% per annum over forty (40) years (even though the full face amount of this Note has not been advanced as of the date hereof.) If additional Loan advances are made pursuant to the terms of the Community Loan Agreement by and between FRV and NC, dated February 12, 2002, ("Community Loan Agreement") the monthly payments shall not increase, but the portion of such payment allocated to the payment of interest shall increase. The payments shall commence on _____, _____, and continue thereafter on the first day of each succeeding calendar month until the earlier to occur of (i) payment in full of all sums due under this Note, or (ii) the 480th month, at which time the entire remaining principal balance, together with accrued but unpaid principal and interest thereon, shall be due and payable.

3. Calculation of Interest. Interest shall be calculated on the basis of a three hundred sixty (360) days per year factor applied to the actual days on which there exists an unpaid principal balance. Interest shall be calculated by FRV and billed to NC for each appropriate period; provided, however, that failure of Lender to bill to NC shall not relieve NC's payment obligations hereunder.

4. Application of Payments. All payments made hereunder shall be applied first to accrued interest, and then to principal.

5. Prepayment. NC may prepay or repay all or any portion of the principal amount of this Note at any time without penalty or premium.

6. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any default by NC as defined in the Loan Agreement, FRV may raise the rate of interest accruing on the disbursed unpaid principal balance by two (2) percentage points above the rate of interest otherwise applicable, independent of whether FRV elects to accelerate the unpaid

principal balance as a result of such default.

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

8. Expenses of Collection. Should this Note be referred to an attorney for collection, whether or not judgment has been confessed or suit has been filed, NC shall pay all of FRV's costs, fees (including reasonable attorney's fees) and expenses resulting from such referral.

9. Waiver of Protest. NC, and all parties to this Note, whether maker, indorser, or guarantor, waive presentment, notice of dishonor and protest.

10. Waiver of Jury Trial. NC and FRV hereby voluntarily and intentionally waive any right they may have to a trial by jury in any action, proceeding or litigation directly or indirectly arising out of or under or in connection with this Note. This waiver applies to all claims against all parties to such actions and proceedings, including parties who are not parties to this Note. This waiver is knowingly, intentionally, and voluntarily made by NC who acknowledges that it has been represented in the execution of this Note and in the making of this waiver by legal counsel and that it had the opportunity to discuss the waiver with counsel. NC further acknowledges that it has read and understands the meaning and ramifications of this waiver provision.

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

12. Assignment. The rights and obligations of Lender shall be assigned pursuant to the terms and provisions of the Community Loan Agreement.

13. Limitation of Liability of Members. The parties hereby agree and confirm that upon the occurrence of any default and/or Event of Default under any provision of this Note, if any judicial proceedings to enforce the obligations of either party are brought by any party, such proceedings shall be limited to the property and assets of the party (which, in the case of FRV, includes but is not limited to the Entrance Deposits in FRV's possession or control, to the extent not prohibited by Regulatory Escrow Requirements and other applicable law). No judgment or suit shall be sought or obtained by any party against the members of the parties, or any officer, director or employee of a member or their assets. Nothing herein contained shall limit or impair
the liability of a member of a party for any obligation arising independently of their status as a member of such party.

WITNESS:

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Member

_____

By:_____
Andrew V. Aldi
Chief Operating Officer and
Executive Vice President

STATE OF MARYLAND)
) ss
COUNTY OF BALTIMORE)

I hereby certify that on the ____ day of _____, 200_, personally appeared before me, a Notary Public of the State of Maryland, Andrew V. Aldi, known to me or satisfactorily proven to be the person whose name is subscribed in the foregoing instrument, and acknowledged that he executed the same in the capacity therein contained and for the purpose therein contained.

_____
Notary Public
My commission expires:

LOAN AGREEMENT

EXHIBIT D

NOTE SCHEDULE

PHASE	DATE	AMOUNT	MATURITY DATE

[TO BE COMPLETED]

LOAN AGREEMENT

EXHIBIT E

EXCEPTIONS

1. Subject to the terms and conditions of a certain Declaration of Taking, as recorded in liber 14754, page 175, Oakland County Records, as to Parcel 4.

2. Subject to an easement for highway purposes and public utilities in favor of City of Novi, as set forth in easement dated July 6, 1978, and recorded December 22, 1978, in liber 7402, page 400, Oakland County Records, as to Parcel 1.

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LIBER26043PAGE716

291097
LIBER 26043 PAGE 716
$42.00 MORTGAGE
$2.00 REMONUMENTATION
07/09/2002 10:09:43 A.M. RECEIPT# 56411
PAID RECORDED - OAKLAND COUNTY
G.WILLIAM CADDELL, CLERK/REGISTER OF DEEDS

MORTGAGE

THIS DOCUMENT CONSTITUTES A FUTURE ADVANCE MORTGAGE
UNDER MCLA §565.901

THE MAXIMUM PRINCIPAL AMOUNT OF THIS MORTGAGE WILL NOT EXCEED $405,000,000

NOVI CAMPUS, LLC,
a Maryland limited liability company

(Mortgagor)

to

FOX RUN VILLAGE, INC.
a Maryland non-profit corporation

(Mortgagee)

Dated February 12, 2002

This instrument has been executed outside the State of Michigan

DRAFTED BY AND
WHEN RECORDED, RETURN TO:

SOTIROFF & ABRAMCZYK, P.C.
30400 Telegraph Road, Suite 444
Bingham Farms, Michigan 48025
Attention: Robert B. Goldi, Esquire

O.K. - LG

GRECO

Bank Of America - CD#13 - Control ID#1133

MORTGAGE

THIS MORTGAGE (the "Mortgage") is made as of the 12th day of February, 2003, by and between NOVI CAMPUS, LLC, a Maryland limited liability company (the "Mortgagor"), and FOX RUN VILLAGE, INC., a Maryland corporation, and any successor holder of the Note secured hereby and hereafter defined (the "Mortgagee").

RECITALS:

1.1 The Credit Facility. The Mortgagor is indebted to the Mortgagee for a loan in the aggregate principal amount at any one time outstanding not to exceed Four Hundred Five Million Dollars ($405,000,000) (the "Loan") to be advanced pursuant to a Community Loan Agreement between the Mortgagor and the Mortgagee of even date herewith (together with all amendments thereto, the "Loan Agreement"), as evidenced by a Note or Notes of the Mortgagor executed and delivered from time to time (together with all amendments thereto, the "Note"). The Mortgagor intends to use the proceeds of the Loan to finance the acquisition, development, improvement and the construction of the property and the retirement community (the "Retirement Community") on the Land (hereinafter defined).

1.2 Obligations Secured. This Mortgage secures (a) the payment of all sums due to the Mortgagee by the Mortgagor according to the terms of any of the Loan Documents (hereinafter defined), (b) the Mortgagor's obligations with respect to future advances, which may be made by the Mortgagee for any reason and (c) the performance of, and compliance with, all of the obligations of the Mortgagor (express or implied) contained in the Loan Documents.

SECTION 2. DEFINITIONS. Whenever capitalized in this Mortgage, the following terms shall have the meaning given in this Section 2, unless the context clearly indicates a contrary intent.

2.1 Encumbrances: All liens, mortgages, rights, leases, restrictions, easements, deeds of trust, covenants, agreements, rights of way, rights of redemption, security interests, conditional sales agreements, land installment contracts, options, and all other burdens or charges.

2.2 Environmental Requirements: Any federal, state, regional, county or local law, statute, ordinance, rule or regulation; or court administrative order or decree; or private agreement, which requires special handling, collection, storage, treatment, disposal or removal of any materials located in or on or about the Property, or which concerns public health, safety, or the environment, including, without limitation, relating to (i) releases, discharges, emissions, or disposals to air, water, land or ground water, (ii)

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the withdrawal or use of ground water and (iii) the exposure of persons to toxic, hazardous or other controlled, prohibited, or regulated substances.

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

2.4 First Mortgagee: Mercantile-Safe Deposit and Trust Company, its successor and assigns.

2.5 Insurance and Condemnation Proceeds. All of the items described in Section 3.04.

2.6 Land: The land consisting of approximately 102 acres located on Thirteen Mile Run Road, Novi, Oakland County, Michigan, which is more particularly described in Exhibit A attached to this Mortgage and incorporated by reference herein.

2.7 Loan Documents: The term "Loan Documents" shall have the meaning set forth in the Loan Agreement.

2.8 Mortgage: This instrument, including all current and future supplements, amendments and attachments thereto.

2.9 Mortgagee: Fox Run Village, Inc., its successors and assigns, and any subsequent holder of the Note.

2.10 Mortgagor: Novi Campus, LLC, its successors and assigns.

2.11 Note: Each Promissory Note to be executed by the Mortgagor payable to the Mortgagee and evidencing the Loan, in the aggregate face amount of Four Hundred and Five Million Dollars ($405,000,000), including all current and future replacements, supplements, amendments and attachments thereto

2.12 Permitted Encumbrances: Those exceptions, if any, which appear in the title policy insuring the interest of the Mortgagee hereunder, including a mortgage for the benefit of Mercantile-Safe Deposit and Trust Company of even date herewith, as accepted and approved by the Mortgagee, or any encumbrance hereinafter approved in writing by the Mortgagee or any easement, right of way or similar grant (each, an "Easement") required for the intended development of the Property, provided such Easement does not materially interfere with the intended use of the Property as a continuing care retirement community.

2.13 Plans and Specifications: The term "Plans and Specifications" shall have the meaning set forth in the Loan Agreement.

2.14 Project: The term "Project" shall have the meaning set forth in the Loan Agreement.

2.15 Property: All of the property described in Sections 3.1, 3.2, 3.3 and 3.4.

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2.16 Personal Property: All of the personal property and fixtures described in Section 3.2.

2.17 Real Property: All of the real property described in Section 3.1.

2.18 Rents: All of the rents, earnings, proceeds, accounts, general intangibles and other rights described in Section 3.3.

SECTION 3. GRANT

3.1 Real Property. The Mortgagor, in consideration of the Mortgagee's making of the Loan to the Mortgagor and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, hereby grants, mortgages, bargains, sells, conveys and assigns to the Mortgagee all the Land described more particularly in Exhibit A attached hereto as a part hereof, together with (a) all buildings and improvements now or hereafter located on the Land, (b) all rights, rights of way, air rights, riparian rights, franchises, licenses, easements, tenements, hereditaments, appurtenances, accessions and other rights and privileges now or hereafter belonging to the Land or the buildings and improvements thereupon, now owned or hereafter acquired by the Mortgagor (hereinafter collectively referred to as the "Real Property").

3.2 Personal Property and Fixtures. The Mortgagor further mortgages, grants, and assigns to the Mortgagee, and grants to the Mortgagee a security interest in, all of the Mortgagor's interest in all of the machines, apparatus, equipment, fixtures and articles of personal property now or hereafter located on the Land or in any improvements thereon, including without limitation all furniture, fixtures, equipment and building materials acquired with the proceeds of the Loan, and all the right, title and interest of the Mortgagor in and to any of such property which may be subject to any title retention or security agreement or instrument having priority over this Mortgage (hereinafter collectively referred to as the "Personal Property").

3.3 Rents and Other Rights. The Mortgagor further mortgages, grants and assigns to the Mortgagee all of the Mortgagor's interest in (a) all rents, profits, royalties, issues, revenues, income, proceeds, earnings and products generated by or arising out of the Property and all accounts receivable arising in connection with the Property and all contracts for the use and occupancy of all or any portion of the Property (including but not limited to agreements with the residents of the Retirement Community), all contracts of sale for all or any portion of the Property, and all deposits to secure performance by contract purchasers for all or any portion of the Property, (b) all of the general intangibles, actions, rights in action, estate, right, title, use, claim and demand of every nature whatsoever, at law or in equity, which the Mortgagor may now have or may hereafter acquire in and to the Property, and (c) all right, title and interest of the Mortgagor in and to all extensions, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Property, hereafter acquired by or released to the Mortgagor, or constructed, assembled or placed by or for the

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Mortgagor on the Property, and all conversions of the security constituted thereby (hereinafter collectively referred to as the "Rents").

3.4 Insurance Policies and Condemnation Awards. The Mortgagor further mortgages, grants and assigns to the Mortgagee all insurance policies and insurance proceeds pertaining to the Property and all awards or payments, including interest thereon and the right to receive the same, which may be made with respect to any of the Property as a result of any taking or any injury to or decrease in the value of the Property (hereinafter collectively referred to as the "Insurance and Condemnation Proceeds").

3.5 Security Interest Under the Uniform Commercial Code. Any portion of the Property which by law is or may be real property shall be deemed to be a part of the Real Property for the purposes of this Mortgage. The remainder of the Property shall be subject to the Michigan Uniform Commercial Code (hereinafter referred to as the "Uniform Commercial Code") and this Mortgage shall constitute a Security Agreement with respect thereto. The Mortgagor hereby grants to the Mortgagee a security interest in that portion of the Property not deemed a part of the Real Property for the purpose of securing performance of all of the Mortgagor's obligations under the Loan Documents. With respect to such security interest (a) the Mortgagee may exercise all rights granted or to be granted a secured party under the Uniform Commercial Code and (b) upon the occurrence of an Event of Default the Mortgagee shall have a right of possession superior to any right of possession of the Mortgagor or any person claiming through or on behalf of the Mortgagor. The Mortgagor shall execute and file such financing statements and other security agreements as the Mortgagee shall require from time to time with respect to personal property and fixtures included in the Property. Upon any failure by the Mortgagor to do so, the Mortgagee may execute, record and file all such financing statements and other security agreements for and in the name of the Mortgagor and the Mortgagor hereby irrevocably appoints the Mortgagee the agent and attorney-in-fact of the Mortgagor to do so. The Mortgagor agrees to pay any and all filing and recording fees or other charges with respect to such documents.

SECTION 4. HABENDUM CLAUSE AND DEFEASANCES.

To have and to hold the Property unto the Mortgagee, its successors and assigns forever. All right, title and interest of the Mortgagor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to the Property hereafter acquired by, or released to, the Mortgagor or constructed, assembled or placed by the Mortgagor on the Real Property, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, pledge, conveyance, assignment or other act by the Mortgagor, shall become subject to the lien of this Mortgage as fully and completely, and with the same effect, as though now owned by the Mortgagor and specifically described herein. Notwithstanding the foregoing, the Mortgagor shall, at its own cost, make, execute, acknowledge, deliver and record any and all such further acts, deeds, conveyances, mortgages, notices

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of assignment, transfers, assurances and other documents as the Mortgagee shall from time to time require for better assuring, conveying, assigning, transferring and confirming unto the Mortgagee of the Property and the other rights hereby conveyed or assigned or intended now or hereafter so to be, or which the Mortgagor may be or may hereafter become bound to convey or assign for carrying out the intention of facilitating the performance of the terms of this Mortgage. In addition, the Mortgagor hereby agrees that this Mortgage is a security agreement under the Uniform Commercial Code and creates in the Mortgagee a security interest thereunder in, among other things, all Personal Property, Insurance and Condemnation Proceeds and Rents. This Mortgage shall be effective as a UCC-1 financing statement pursuant to the Uniform Commercial Code. The Mortgagor shall, at its own cost and expense, execute, deliver and file any financing statements, continuation certificates and other documents the Mortgagee may require from time to time to perfect and maintain in favor of the Mortgagee a security interest under the Uniform Commercial Code in such Personal Property, Insurance and Condemnation Proceeds and Rents. Without limiting the generality of any of the foregoing, the Mortgagor hereby irrevocably appoints the Mortgagee attorney-in-fact, coupled with an interest, for the Mortgagor to execute, deliver and file any of the documents referred to hereinabove for and on behalf of the Mortgagor.

Provided always, and these presents are upon this express condition, that if the Mortgagor or its successors or assigns shall well and truly pay or cause to be paid, in full, unto the Mortgagee, its successors or assigns, the obligations secured by this Mortgage, and otherwise perform the Mortgagor's respective obligations under the Loan Documents to which the Mortgagor is a party, then this Mortgage, and the estate hereby granted, shall cease, determine and be void, and the Mortgagee shall furnish to the Mortgagor a satisfaction of this Mortgage in proper form for recording, but the Mortgagee shall not be required to bear any expense or cost in connection with such satisfaction or the recording thereof.

This Mortgage secures, inter alia, present and future advances made by the Mortgagee pursuant to the Loan Documents, including, without limitation, advances made to enable acquisition, development, improvement and construction of the Property and the Retirement Community, plus accrued and unpaid interest. The priority of such future advances shall relate back to the date of this Mortgage, or to such later date as required by applicable law. This Mortgage also secures advances made by the Mortgagee with respect to the Property for the payment of taxes, assessments, maintenance charges, and insurance premiums, costs incurred by the Mortgagee for the protection of the Property or the lien of this Mortgage, including attorneys' fees, and expenses incurred by the Mortgagee by reason of the occurrence of an Event of Default hereunder, including attorneys' fees, and the priority of such advances, costs and expenses shall also relate back to the date of this Mortgage, or to such later date as required by applicable law.

SECTION 5. REPRESENTATIONS AND WARRANTIES

5.1 Warranty of Title and Further Assurances. The Mortgagor warrants that it is lawfully seized of an indefeasible fee simple estate in the

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Property free and clear of all encumbrances (except for Permitted Encumbrances), and that it has the right and authority to convey the Property and warrants specially title to the Property and that it will execute such further assurances as may be requested. The Mortgagor further covenants that the lien created hereby is and will be maintained as a lien upon the Property subordinate and inferior only to the lien held by the First Mortgagee.

SECTION 6. COVENANTS, RIGHTS, AND DUTIES OF MORTGAGOR GENERALLY

6.1 Covenant to Pay Obligations and to Perform Obligations Under the Terms of the Loan Documents. The Mortgagor covenants that it will punctually (a) pay or cause to be paid to the Mortgagee all amounts due under the Loan Documents executed by the Mortgagor, which includes the principal and interest of the Loan and all other costs and indebtedness secured hereby, according to the terms of the Loan Documents executed by the Mortgagor; and (b) perform and satisfy all other obligations of the Mortgagor under the Loan Documents.

6.2 Compliance With Laws. The Mortgagor shall comply with all laws a breach of which would adversely affect (a) the financial condition of the Mortgagor, (b) the ability to use buildings and other improvements on the Land for the purposes for which they were designed or intended, (c) the value or status of the Property, or (d) the value or status of the Mortgagee's title to the Property.

6.3 Changes in Applicable Tax Laws. In the event (a) any law is hereafter enacted which imposes a tax upon the Loan, any of the Loan Documents, or the transactions evidenced or contemplated by any of the Loan Documents, or (b) any law now in force governing the taxation of mortgages, debts secured by mortgages, or the manner of collecting any such tax, shall be changed or modified, in any manner, so as to impose a tax upon the Loan, any of the Loan Documents, or the transactions evidenced or contemplated by any of the Loan Documents (including, without limitation, a requirement that revenue stamps be affixed to any or all of the Loan Documents), the Mortgagor will promptly pay any such tax. If the Mortgagor fails to make prompt payment, or if any law either prohibits the Mortgagor from making the payment or would penalize the Mortgagee if the Mortgagor makes the payment, then the failure, prohibition, or penalty, shall entitle the Mortgagee to declare the entire unpaid principal balance of the Loan, together with all accrued interest and any other amounts due, immediately due and payable; provided that if no Event of Default has occurred, the Mortgagor shall thereupon have thirty (30) days to pay the entire amount due without penalty. If an Event of Default has occurred and is continuing or if the Mortgagor fails to make payment in full within thirty (30) days, then the Mortgagee shall be entitled to exercise all rights hereunder as though an Event of Default had occurred.

6.4 Further Assurances and Continuation Statements. The Mortgagor from time to time will execute, acknowledge, deliver and record, at the Mortgagor's sole cost and expense, all further instruments, deeds, conveyances, supplemental mortgages, assignments, financing statements, transfers and assurances as in the reasonable opinion of the Mortgagee's counsel may be necessary (a) to preserve, continue and protect the interest of

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the Mortgagee in the Property, or (b) to secure the rights and remedies of the Mortgagee under this Mortgage and the other Loan Documents. The Mortgagor, at the request of the Mortgagee, shall promptly execute any continuation statements required by the Uniform Commercial Code to maintain the lien on any portion of the Property subject to the Uniform Commercial Code.

6.5 Expenses. The Mortgagor shall reimburse the Mortgagee for any sums, including reasonable attorney's fees and expenses, incurred or expended by them (a) in connection with any action or proceeding to sustain the lien, security interest, priority, or validity of any Loan Documents, (b) to protect, enforce, interpret, or construe any of their rights under the Loan Documents, (c) for any title examination or title insurance policy relating to the title to the Property, or (d) for any other purpose contemplated by the Loan Documents. The Mortgagor shall, upon demand, pay all such sums together with interest thereon at the Default Interest Rate defined in the Note accruing from the time the expense is paid. All such sums so expended by the Mortgagee shall be secured by this Mortgage. In any action or proceeding to foreclose this Mortgage or to recover or collect the Loan, the provisions of law allowing the recovery of costs, disbursements, and allowances shall be in addition to the rights given by this Section 6.5.

6.6 Environmental Requirements. The Mortgagor represents and warrants to the Mortgagee that except for the matters disclosed in the Environmental Reports (as defined in the Loan Agreement), copies of which have previously been provided to the Mortgagee, there are no hazardous substances on the Real Property, that the Mortgagor has not utilized the Real Property, nor any part thereof, to treat, deposit, store, dispose of, or place any hazardous substances, as defined by 42 U.S.C.A. Section 9601(14) ("Hazardous Substances"); nor has the Mortgagor authorized any other person or entity to treat, deposit, store, dispose of, or place any Hazardous Substance on the Real Property, or any part thereof; and to the actual knowledge of the Mortgagor, and except as disclosed in the Environmental Reports, no other person or entity has treated, deposited, stored, disposed of, or placed any Hazardous Substance on the Real Property or any part thereof, except for paint and similar substances normally used in connection with the proper construction of the Improvements and/or the maintenance and operation of the existing facilities on the Land, in quantities not exceeding those normally kept on hand at similar facilities, all of which are stored, used and disposed of in compliance with all applicable legal and Environmental Requirements. The Mortgagor further covenants and agrees to give written notice to the Mortgagee immediately upon acquiring knowledge of the existence of any condition relating to the Property which constitutes a material threat to the health, safety or property of the Mortgagor or others.

The Mortgagor hereby covenants and agrees that, if at any time it is determined that there are Environmental Materials (hereinafter defined) located on the Real Property, the Mortgagor shall promptly take or cause to be taken, at its sole expense, such actions as may be necessary to comply with all Environmental Requirements. The term "Environmental Materials" means any materials which: (i) under any Environmental Requirements require special handling in collection, storage, treatment or disposal, (ii) are defined as

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hazardous material, hazardous substances or hazardous waste under the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et. seq.), the Comprehensive Environmental Response Compensation and Liability of Act of 1980 (42 U.S.C. Section 9601 et seq.) ("CERCLA") or any similar federal law or laws of the state in which the Property is located, or (iii) are oil, petroleum products and their by-products. If the Mortgagor shall fail to take such action, the Mortgagee may make advances or payments towards performance or satisfaction of the same but shall be under no obligation to do so; and all sums so advanced or paid, including all sums advanced or paid in connection with any judicial or administrative investigation or proceeding relating thereto, including, without limitation, reasonable attorneys' fees, fines, or other penalty payments, shall be at once repayable by the Mortgagor and shall bear interest at the Default Interest Rate defined in the Note or at the maximum interest rate which the Mortgagor may by law pay, whichever is lower, from the date the same shall become due and payable until the date paid, and all sums so advanced or paid, with interest as aforesaid, shall become a part of the indebtedness secured hereby. The Mortgagor further covenants and agrees that the Mortgagor shall, and shall cause others to, carry on the business and operations on the Real Property so as to comply and remain in compliance with all Environmental Requirements.

The Mortgagor shall defend, indemnify and hold harmless the Mortgagee against any loss, cost or expense (including, without limitation, cleanup costs, and reasonable attorneys' fees) incurred by the Mortgagee resulting from the presence on the Property at any time of any Environmental Materials. This indemnity shall apply notwithstanding any negligent or other contributory conduct by or on the part of any third parties and shall survive: (i) repayment of the Loan and the full release of the lien of this Mortgage; (ii) the extinguishment of the lien by foreclosure, power of sale, or any other action; or (iii) the delivery of a deed in lieu of foreclosure.

SECTION 7. RIGHTS AND DUTIES OF GRANTOR WITH RESPECT TO MANAGEMENT AND USE OF THE PROPERTY

7.1 Restrictions on Sale and Transfer of the Property. The Mortgagor shall not permit the Property, or any part or portion thereof or any interest therein, to be transferred (whether by voluntary or involuntary conveyance, merger, operation of law, or otherwise), other than as may expressly be permitted under the provisions of this Mortgage or the Loan Agreement, without the prior written consent of the Mortgagee. Any transferee of the Property or any part or portion thereof in fee simple, by virtue of its acceptance of the transfer, shall (without in any way affecting the Mortgagor's liability under the Loan Documents) be conclusively deemed to have agreed to assume primary liability for the performance of the Mortgagor's obligations under the Loan Documents.

7.2 Restriction on Encumbrances. The Mortgagor shall not allow any Encumbrances on the Property except the Permitted Encumbrances. The Mortgagor shall give the Mortgagee prompt notice of any default in or under any Permitted Encumbrances and any notice of foreclosure or threat of foreclosure. The Mortgagor shall comply with its obligations under all Permitted

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Encumbrances. The Mortgagee may, at its election, satisfy any Encumbrance (other than a Permitted Encumbrance not then in default), and the Mortgagor shall, on demand, reimburse the Mortgagee for any sums advanced for such satisfaction together with interest at the Default Interest Rate stated in the Note accruing from the date of satisfaction, which sums shall be secured hereby.

7.3 Maintenance, Waste, Repair and Inspection. The Mortgagor shall: (a) keep and maintain the Property in good order, condition, and repair and make, in a prompt manner, all equipment replacements and repairs necessary to insure that the security for the Loan is not impaired; (b) not commit or suffer any waste of the Property; (c) promptly protect and conserve any portion of the Property remaining after any damage to, or partial destruction of, the Property; (d) promptly repair, restore, replace or rebuild any portion of the Property which is damaged or destroyed; (e) promptly restore the balance of the Property remaining after any condemnation; (f) permit the Mortgagee or its designee to inspect the Property at all reasonable times; and (g) not make any material change in the grade of the Property or permit any material excavation of or on the Property, except as required for utility easements and in connection with improvements contemplated in the Loan Agreement.

7.4 Taxes and Permitted Contests. The Mortgagor shall pay: (a) all taxes, assessments and other governmental charges on or before the date any interest or penalty begins to accrue or attach thereto; and (b) all lawful claims which, if unpaid, might become a lien or charge upon the Property; provided, however, that the Mortgagor shall not be required to pay any taxes or claim the amount, validity or payment of which is being contested, in good faith, by appropriate legal proceedings, and so long as, in the sole opinion of the Mortgagee, no part of the Property is in danger of being sold, forfeited or lost and the contest is not impairing the security for the Loan. Upon payment thereof, the Mortgagor shall promptly supply the Mortgagee with receipts showing the payment of the taxes or claim.

SECTION 8. INSURANCE AND CONDEMNATION

8.1 Builder's Risk and Casualty Insurance. At all times that any amounts are guaranteed or owing by the Mortgagor under the Loan Documents, the Mortgagor shall keep the Property insured for the benefit of the Mortgagor, the Mortgagee and the Mortgagee against loss or damage by either standard builder's risk insurance or all-risk peril insurance, as the Mortgagee may require from time to time. Such insurance shall be written in amounts equal to the greater of the total amount due and owing by the Mortgagor to the Mortgagee under the Loan Documents, one hundred percent (100%) of the replacement value of the Property (excluding land), or such other amount as may be approved by the Mortgagee. Such insurance shall be written in forms and by companies satisfactory to the Mortgagee, and the losses thereunder shall be payable to the Mortgagee alone and not to the Mortgagor and the Mortgagee or the Mortgagee, jointly. The policy or policies of such insurance shall, if requested by the Mortgagee, be delivered to and retained by the

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Mortgagee, and shall contain a standard New York Mortgagee Clause showing the loss, if any, as payable to the Mortgagee and shall require the insurer to give the Mortgagee and the Mortgagee at least thirty (30) days' prior notice of its cancellation or non-renewal of the policy or policies. The Mortgagor shall provide the Mortgagee with receipt evidencing the payment of all premiums due on such policies. The Mortgagor shall give the Mortgagee prompt notice of any loss covered by such insurance, and the Mortgagee or the Mortgagee shall have the right (subject to the approval of the Mortgagor, so long as no Event of Default has occurred) to adjust any loss covered by an insurance policy. Subject to terms of any prior mortgage or encumbrance, all monies received as payment for a loss covered by an insurance policy ("Insurance Proceeds") shall be paid over to the Mortgagee to be applied, at the option of the Mortgagee, either to the prepayment of the indebtedness secured by the Mortgage or to the payment of other charges or expenses actually incurred by the Mortgagor in the restoration, reconstruction, repair, renovation or replacement of the Property.

8.2 Liability Insurance. The Mortgagor will at all times keep itself insured against liability for damages arising from any accident or casualty in or upon the Property by maintaining comprehensive general public liability insurance, the minimum limits of which shall be One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) in the aggregate, with a minimum Ten Million Dollars ($10,000,000) in excess liability (umbrella form) coverage per occurrence and in the aggregate.

8.3 Contractors' Insurance. During the construction of the improvements, the Mortgagor will cause all contractors and subcontractors (including the Mortgagor if applicable) to obtain and keep in effect (or secure coverage itself) a contractors' liability insurance policy or policies in builders' all risk form, with loss payable endorsements acceptable to the Mortgagee, insuring the Improvements described in the Loan Agreement and all materials and supplies purchased with advances of the Loan, together with a policy or policies for Workers' Compensation Insurance to the full extent required by the laws of the State of Michigan. Upon request, the Mortgagor shall provide the Mortgagee with evidence satisfactory to the Mortgagee that all such insurance is in effect.

8.4 Other Insurance. The Mortgagor may not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under the above paragraph unless the Mortgagee is included thereon as a named insured with losses payable to the Mortgagee as above provided. The Mortgagor shall immediately notify the Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to the Mortgagee the policy or policies of such insurance.
If any of the Improvements on the Property are located in an area which has been identified as a non-minimal flood hazard area, the Mortgagor will keep the Property covered by flood insurance in an amount at least equal to the full amount secured by this Mortgage or the maximum limit of coverage available for the Property.

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Unless a written waiver from the Mortgagee is obtained, the Mortgagor shall (a) keep all of its insurable properties insured against all risks usually insured against by persons operating like properties in the localities where the properties are located; and (b) maintain public liability insurance against claims for personal injury, death or property damage suffered by others upon or in or about any premises occupied by it or occurring as a result of its maintenance or operation of any automobiles, trucks or other vehicles or airplanes or other facilities or as a result of the use of products sold by it or services rendered by it.

8.5 Condemnation and Allocation of Condemnation Awards. The Mortgagor, immediately upon obtaining knowledge of the institution of any proceeding for a condemnation, will notify the Mortgagee of such proceedings. The Mortgagee may participate in any such proceedings, and the Mortgagor will, from time to time, deliver to the Mortgagee all instruments requested by them to permit such participation. Subject to terms of any prior mortgage or encumbrance, any award or payment made as a result of any taking shall be paid to the Mortgagee, to be applied (a) if funds sufficient to restore the remainder of the Property are available from such award or payment (together with other funds supplied or caused to be supplied by the Mortgagor) and no Event of Default is then outstanding, to the restoration of the remainder of the Property, or (b) if sufficient funds are not available to restore the remainder of the Property, or an Event of Default is then outstanding, to prepayment of amounts guaranteed by the Mortgagor under the Loan Documents, whether then due or not. All moneys not utilized for the repair or restoration of the remainder of the Property shall be applied as a prepayment of amounts guaranteed by the Mortgagor under the Loan Documents, whether then due or not, in inverse order of maturity. The application of any award or payment as a prepayment of amounts due under the Note shall take effect only on the actual date of the receipt of the payment or award by the Mortgagee. In the event any payment or award is used to restore the Property, as aforesaid, the Mortgagee shall not be obligated to see to the proper allocation thereof, nor shall any amount so used be deemed a payment of any indebtedness secured by this Mortgage. Payments or awards to be used for restoration purposes, as aforesaid, shall be held by the Mortgagee and disbursed under such terms and conditions, to such persons, and at such times, as the Mortgagee may determine.

SECTION 9. DEFAULT

9.1 Event of Default. The occurrence of any of the following shall constitute an Event of Default:

9.1.1 Event of Default Under Other Loan Documents. An "Event of Default" (if so defined) occurs under a Loan Document other than this Mortgage.

9.1.2 Insurance Provisions. The failure of the Mortgagor to perform its obligations set forth in Section 8 to keep the Property adequately and continually insured.

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9.1.3 Receiver; Bankruptcy. If the Mortgagor (a) applies for, or consents in writing to, the appointment of a receiver, trustee, or liquidator for it of the Property, or of all or substantially all of its assets, (b) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they become due, (c) makes an assignment for benefit of creditors, (d) files a petition or an answer seeking a reorganization, composition, adjustment arrangement with creditors, or takes advantage of any insolvency law, (e) files an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization, composition, adjustment, arrangement, or insolvency proceeding, or (f) is dissolved as a result of an adversary suit or proceeding.

9.1.4 Receiver; Bankruptcy (Involuntary). If (a) any execution or attachment levied against the assets of the Mortgagor is not set aside, discharged, or stayed within forty-five (45) days, (b) an order, judgment, or decree is entered by any court of competent jurisdiction on the application of a creditor, adjudicating the Mortgagor a bankrupt or insolvent, or appointing a receiver, trustee, or liquidator for the Mortgagor of all or substantially all of its assets, or (c) an order of relief is entered against the Mortgagor pursuant to any bankruptcy statute or law and such order, judgment, or decree continues unstayed and in effect for a period of forty-five (45) days.

9.1.5 Prohibited Transfer or Encumbrance. Any transfer or event in violation of Sections 7.1 or 7.2.

9.1.6 Loss of License. The loss of any material license or permit necessary for the improvement, operation, occupancy, or use of the Property (whether such license or permit is issued to the Mortgagor or to another entity responsible for the operation of the Retirement Community).

9.1.7 Defaults under Subordinate Liens. Any default by the Mortgagor under any documents executed in connection with any subordinate liens (including any such liens in favor of the Mortgagee) against the Property, which default is not cured within any applicable grace or cure period.

9.1.8 Environmental Requirements. Failure of the Mortgagor to comply with all Environmental Requirements which is not cured within thirty (30) days after notice from the Mortgagee.

9.1.9 Other Defaults. The failure of the Mortgagor to perform or observe any of its obligations or covenants under this Mortgage not previously specifically referred to in this Article 8, which failure continues for a period of thirty (30) days after written notice to the Mortgagor, provided, however, that the Mortgagee may, in its sole discretion, extend the cure period for any default upon the reasonable request of the Mortgagor in the event that the default cannot be cured within the time set forth in this Mortgage and the Mortgagor is diligently pursuing cure of the default.

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9.1.10 Environmental Liens. If the Environmental Protection Agency of the United States ("EPA"), or any other state or federal agency or any other person or entity asserts or creates a lien upon any or all of the Property by reason of the failure of the Mortgagor to comply with all Environmental Requirements or asserts a claim against the Mortgagor, the Property, or the Mortgagee for damages or cleanup costs related to the Mortgagor's failure to comply with all Environmental Requirements.

9.2 Payment or Performance by Mortgagee. Upon the occurrence of any Event of Default, the Mortgagee may, at its option, make any payments or take any other actions it deems necessary or desirable to cure the Event of Default or conserve the Property. The Mortgagor shall, upon demand, reimburse the Mortgagee for all sums so advanced or expenses incurred by the Mortgagee, together with interest at the Default Interest Rate stated in the Note from the date of advance or payment of the same, which sums shall be secured by this Mortgage. The Mortgagee may enter upon the Property without prior notice to the Mortgagor or judicial process and may take any action to enforce its rights under this Section 9.2 without liability to the Mortgagor.

9.3 Completion of Improvements. Upon the occurrence of an Event of Default, the Mortgagor agrees that the Mortgagee may, in addition to any other remedies available to it and in its sole discretion, (i) enter upon the Land and complete the Project in accordance with the Plans and Specifications with such changes therein as the Mortgagee may deem appropriate, and employ watchmen to protect the Property, (ii) at any time discontinue any work commenced in respect of the Project, (iii) assume any or all contracts covered by any other contracts made by the Mortgagor relating to the construction or equipping of the Retirement Community and take over and use all or any part of the labor, materials, supplies and equipment contracted for by the Mortgagor, (iv) engage builders, contractors, and others for the purpose of furnishing labor, materials and equipment in connection with the Project, and (v) pay, settle or compromise all bills or claims that may become liens against the Property. The Mortgagor shall be liable to the Mortgagee for all sums paid or incurred by the Mortgagee to construct and equip the Project whether the same shall be paid or incurred pursuant to the provisions of this Section 9.03 or otherwise (such liabilities to be part of the Mortgagor's obligations), and all payments made or liabilities incurred by the Mortgagee hereunder of any kind whatsoever shall be paid by the Mortgagor to the Mortgagee upon demand with interest at the Default Interest Rate provided in the Note. For the purpose of exercising the rights granted by this Section, the Mortgagor hereby irrevocably constitutes and appoints the Mortgagee its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of the Mortgagor.

9.4 Possession by Mortgagee. Upon the occurrence of an Event of Default, the Mortgagee may enter upon and take possession of the Property with notice to the Mortgagor, but without judicial process or the appointment of a receiver. The Mortgagee may exclude all persons from the Property and may proceed to operate the Property and receive all Rents. The Mortgagee shall have the right as agent for the Mortgagor to operate the Property and carry on the business of the Mortgagor, either in the name of the Mortgagor or

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otherwise. The Mortgagee shall not be liable to the Mortgagor for taking possession of the Property, as aforesaid, nor shall the Mortgagee be required to make repairs or replacements, and the Mortgagee shall be liable to account only for Rents actually received by the Mortgagee. All Rents collected by the Mortgagee shall be applied (a) first, to pay all expenses incurred in taking possession of the Property, (b) second, to pay costs and expenses to operate the Property and/or to comply with the terms of the Loan Documents, including actual attorney's fees, (c) third, to pay all sums secured by the Loan Documents in the order of priority selected by the Mortgagee, and (d) fourth, with the balance, if any, to the Mortgagor or such other person as may be entitled thereto.

9.5 Collection of Rents. Upon the occurrence of an Event of Default and upon written demand by the Mortgagee to the Tenants, all Rents shall be payable directly to the Mortgagee.

9.6 Acceleration; Judgment; Foreclosure. At any time during the existence of an Event of Default, the Mortgagee, at the Mortgagee's option, may declare the Loan to be immediately due and payable without further demand, and may recover judgment against the Mortgagor for all amounts owing in connection with the Loan (but neither the recovery of judgment nor the levy of execution on the Property shall affect the Mortgagee's rights hereunder or the lien hereof), foreclose this Mortgage by judicial proceeding or by advertisement, at the option of the Mortgagee, pursuant to the statutes in such case made and provided, and execute on any judgment obtained in connection with the Loan through a sheriff's sale of the Property, and may invoke any other remedies permitted by Michigan law or provided in this Mortgage or in any other Loan Document, including, without limitation, the sale of the Property, in a foreclosure proceeding or by public sale, or through a sheriff's sale, in one or several parcels, at the Mortgagee 's option and without obligation to have the Property marshalled. The Mortgagee shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including attorneys' fees permitted under applicable law, costs of documentary evidence, abstracts and title reports.

9.7 Application and Proceeds of Sale. Upon a sale under Section 9.06, the purchaser shall receive that portion of or interest in the Property purchased by it free from any claims of the Mortgagor and without any liability to see to the application of the purchase money. The net proceeds from the sale, after deduction of all costs of the sale, shall be applied, unless otherwise required under Michigan law, (a) first, to pay all expenses incurred in taking possession of the Property, (b) second, to pay costs and expenses to operate the Property, including attorney's fees, (c) third, to pay all sums guaranteed by or due from the Mortgagor under the Loan Documents, whether then due or not, in the order of priority determined by the Mortgagee, and (d) fourth, the balance, if any, to the Mortgagor or to other persons entitled thereto.

9.8 Insurance or Condemnation After Deficiency. If the Property is sold in a foreclosure proceeding under Section 9.6 prior to receipt of a condemnation award or payment, the Mortgagee shall receive and apply the

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proceeds of the award or payment toward the satisfaction of any deficiency resulting from the sale, whether or not a deficiency judgment is sought, recovered, or denied.

9.9 Right of the Mortgagee to Bid. The Mortgagee may bid and become the purchaser at a foreclosure sale under this Mortgage.

9.10 Bond. The Mortgagor waives any right to require the person authorized to make the sale hereunder to post a bond.

9.11 Appointment of a Receiver.

(a) Upon the occurrence of an Event of Default, the Mortgagee shall be entitled to the immediate appointment of a receiver for the Property, without regard to the value of the Property or the solvency of any person liable for payment of the amounts due under the Loan Documents. Upon obtaining possession of the Property or upon the appointment of a receiver, the Mortgagee or the receiver, as the case may be, may, at its sole option, (a) make all necessary or proper repairs and additions to or upon the Property, (b) operate, maintain, control, make secure and preserve the Property, (c) receive all Rents, and (d) complete the construction of any unfinished improvements on the Property and, in connection therewith, continue any and all outstanding contracts for the erection and completion of such Improvements and make and enter into any further contracts which may be necessary, either in their or its own name or in the name of the Mortgagor (the cost of completing the Improvements shall be expenses secured by this Mortgage and accrue interest as set forth herein). In so doing, the Mortgagee or such receiver shall have the right to manage the Property and to carry on the business of the Mortgagor and may exercise all of the rights and powers of the Mortgagor, either in the name of the Mortgagor, or otherwise, including, but without limiting the generality of the foregoing, the right to lease the Property, to cancel, modify, renew or extend any Lease or sublease of the Property and to carry on any contracts entered into by the Mortgagor with respect to the Property. The Mortgagee or such receiver shall be under no liability for, or by reason of, any such taking of possession, entry, holding, removal, maintaining, operation or management, except for gross negligence or willful misconduct. The Mortgagor shall pay on demand to the Mortgagee or the receiver (as the case may be) the amount of any deficiency between (a) the Rents received by the Mortgagee or the receiver, and (b) all expenses incurred in taking possession of, and operating, the Property, together with interest thereon at the Default Interest Rate as provided in the Note. The exercise of the remedies provided in this Section shall not cure or waive any Event of Default and the enforcement of such remedies, once commenced, shall continue for so long as the Mortgagee shall elect, notwithstanding the fact that the exercise of such remedies may have, for a time, cured the original Event of Default.

(b) The failure of the Mortgagor to pay any taxes or assessments assessed against the Property, or any installment thereof, or any premiums payable with respect to any insurance policy covering the Property, shall constitute waste, as provided by Act No. 236 of the Michigan Public Acts of

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1961 as amended (MCLA §600.2927). The Mortgagor hereby consents to the appointment of a receiver under said statute, should the Mortgagee elect to seek such relief thereunder. The Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor or hearing thereon. Payment by the Mortgagee for or on behalf of the Mortgagor of any such delinquent payment shall not cure the default nor shall it impair the Mortgagee's right to the appointment of a receiver.

9.12 Remedies Cumulative. All rights, powers, and remedies of the Mortgagee provided for in the Loan Documents are cumulative and concurrent and shall be in addition to and not exclusive of any appropriate legal or equitable remedy provided by law or contract. Exercise of any right, power, or remedy shall not preclude the simultaneous or subsequent exercise of any other by the Mortgagee.

9.13 Consent to Jurisdiction and Venue. The Mortgagor consents to be sued in any jurisdiction where any of the Property is located.

9.14 Rights Under the Uniform Commercial Code. Upon the occurrence of an Event of Default, the Mortgagor shall assemble and make available to the Mortgagee those portions of the Property which consist of personal property at a place to be designated by the Mortgagee may exercise all the rights and remedies of a secured party under the Uniform Commercial Code. Any notices required by the Uniform Commercial Code shall be deemed reasonable if mailed certified mail, return receipt requested, postage prepaid, by the Mortgagee to the Mortgagor. Disposition of the Property shall be deemed commercially reasonable if made pursuant to a public offering advertised at least twice in a newspaper of general circulation in the County where the Property is located.

9.15 Waiver of Jury Trial. The Mortgagor hereby voluntarily and intentionally waives any right it may have to a trial by a jury in any action, proceeding or litigation directly or indirectly arising out of, under or in connection with the Loan, this Mortgage, or any of the other Loan Documents to which the Mortgagor is a party. This waiver applies to all claims against all parties to such actions and proceedings, including parties who are not parties to this Mortgage. This waiver is knowingly, intentionally, and voluntarily made by the Mortgagor who acknowledges that it has been represented in the execution of this Mortgage and in the making of this waiver by independent legal counsel, selected of its own free will, and that it has had the opportunity to discuss this waiver with counsel. The Mortgagor further acknowledges that it has read and understands the meaning and ramifications of this waiver provision.

9.16 Warning/Wavier. WARNING: THIS INDENTURE CONTAINS A POWER OF SALE AND UPON EVENT OF DEFAULT MAY BE FORECLOSED BY ADVERTISEMENT. IN FORECLOSURE BY ADVERTISEMENT AND THE SALE OF THE PROPERTY IN CONNECTION THEREWITH, NO HEARING IS REQUIRED AND THE ONLY NOTICE REQUIRED IS THE PUBLICATION OF NOTICE IN A LOCAL NEWSPAPER AND THE POSTING OF A COPY OF THE NOTICE ON THE REAL PROPERTY.

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WAIVER: THE MORTGAGOR HEREBY WAIVES ALL RIGHTS UNDER THE CONSTITUTION AND THE LAWS OF THE UNITED STATES AND UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MICHIGAN TO A HEARING PRIOR TO THE SALE IN CONNECTION WITH THE ABOVE-MENTIONED FORECLOSURE BY ADVERTISEMENT AND ALL NOTICE REQUIREMENTS EXCEPT AS SET FORTH IN THE MICHIGAN STATUTE PROVIDING FOR FORECLOSURE BY ADVERTISEMENT.

SECTION 10 MISCELLANEOUS

10.1 Waivers. No term of any Loan Document shall be deemed waived unless the waiver shall be in writing and signed by the parties making the waiver. No failure by the Mortgagee to insist upon the Mortgagor's strict performance of any of the terms of the Loan Documents to which the Mortgagor is a party shall be deemed or construed as a waiver of those or any other terms. Any delay in exercising or enforcing any rights with respect to a Default or an Event of Default shall not bar the Mortgagee from exercising any rights under the Loan Documents, or at law or in equity.

10.2 Consents.

10.2.1 The Mortgagee may (a) release any person liable under the Loan Documents, (b) release any part of the security, (c) extend the time of payment of the Loan, and/or (d) modify the terms of the Loan Documents, regardless of consideration and without notice to or consent by the holder of any subordinate lien on the Property. No release, extension or modification of the security held under the Loan Documents shall impair or affect the lien of this Mortgage or the priority of such lien over any subordinate lien.

10.2.2 Regardless of whether a person has been given notice or has given its prior consent, it shall not be relieved of any obligation under any Loan Documents by reason of (a) the failure of the Mortgagee or any other person to take any action, foreclose, or otherwise enforce any provision of the Loan Documents, (b) the release of any other person liable under any Loan Document, (c) the release of any portion of the security under the Loan Documents, or (d) any agreement or stipulation between any subsequent owners of the Property and the Mortgagee extending the time of payment or modifying the terms of any Loan Document.

10.3 Headings. All section headings are for convenience only and shall not be interpreted to enlarge or restrict the provisions of this Mortgage.

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

(a) If to the Mortgagee: Fox Run Village, Inc.
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: President

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

Hogan & Hartson
111 S. Calvert Street
Suite 1600
Baltimore, Maryland 21202
Attn: Edward Sledge

(b) If to Mortgagor: Novi Campus, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: Chief Operating Officer

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

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

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

10.5 Binding Effect. No transfer of any portion of the Property or any interest thereon shall relieve any transferor of its obligations under the Loan Documents. No transferor of any obligation under any Loan Document shall be relieved of its obligations by any modification of any Loan Document subsequent to the transfer.

10.6 Amendment. This Mortgage may not be modified except in writing signed by (a) the Mortgagee and (b) the Mortgagor.

10.7 Severability. In the event any provision of this Mortgage shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

10.8 Notices from Governmental Authorities Affecting the Property. Any notice from any governmental or quasi-governmental authority or corporation with respect to the Property sent to or known by the Mortgagor shall be promptly transmitted to the Mortgagee.

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10.9 Applicable Law. Except as provided to the contrary below, this Mortgage shall be governed by and construed in accordance with the internal laws of the State of Maryland applicable to contracts made and to be performed in such state (without regard to principles of conflicts of law applicable under Maryland law and applicable laws of the United States of America); provided, however, that with respect to the provisions hereof which relate to title or the creation, perfection, priority, enforcement or foreclosure of liens on and security interests in or assignments of any of the Property, or as otherwise required by the laws of Michigan, this Mortgage shall be governed by the laws of Michigan; it being understood that, to the fullest extent permitted by the laws of Michigan, the laws of the State of Maryland shall govern the validity and enforceability of this Mortgage in all instances where the law of Michigan is not specifically made the law applicable to this Mortgage.

10.10 Time of the Essence. Time is of the essence with respect to the Loan Documents.

10.11 Effect of Payments. Any payment or other performance made in accordance with the Loan Documents by any person other than the Mortgagor shall not entitle such person to any right of subrogation under the Loan Documents, unless expressly consented to in writing by the Mortgagee.

10.12 Word Forms. The use of any gender, tense, or conjugation herein shall be applicable to all genders, tenses and conjugations. The use of the singular shall include the plural and the plural shall include the singular.

10.13 Future Advances. This Mortgage secures future advances to be made periodically not to exceed at any one time outstanding the face amount of the Note. This Mortgage is a future advance mortgage under MCLA §565.901.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

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IN WITNESS WHEREOF the Mortgagor by its duly authorized member, has executed and delivered this Mortgage under the Mortgagor's seal as of the date and year first written above.

WITNESSES:

NOVI CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, Member

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and Chief Operating Officer

Print Name: David N. Cooper Sr.

Print Name: Gerald P. Delibert

STATE OF MARYLAND :
: SS:
CITY OF BALTIMORE :

On the 12th day of February, 2002 before me personally came Andrew V. Aldi, to me known to be the person who executed the foregoing instrument, and who, being by me duly sworn, did depose and say that he is the Executive Vice President and Chief Operating Officer of Erickson Retirement Communities, LLC, a Maryland limited liability company which is a member of Novi Campus, LLC, a Maryland limited liability company; and that he executed the foregoing instrument in the name of Novi Campus, LLC, and that he had authority to sign the same, and acknowledged that he executed the same as the act and deed of Novi Campus, LLC.

Christine C. Furr
NOTARY PUBLIC

My Commission Expires: _____

CHRISTINE C. FURR NOTARY PUBLIC HOWARD COUNTY, MD.

CHRISTINE C. FURR
Notary Public
Howard County, Maryland
My Commission Expires Nov. 15, 2005

Bank Of America - CD#13 - Control ID#1133

EXHIBIT A

Legal Description

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

pt of 22-01-300 [001] 013

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

pt of 22-01-300 [003] 013

PARCEL 3:

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning. except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

pt of 22-01-300 [007] 013

PARCEL 4:

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

pt of 22-01-300 [009] 013

CERTIFICATE OF COPY OF RECORD
STATE OF MICHIGAN
COUNTY OF OAKLAND

I, Ruth Johnson, Register of Deeds for Oakland County, certify that I have compared the attached copy with the original record on file, and it is a true and correct transcript of the original record in Liber 21043 Page(s) 716-737
in testimony whereof, I have set my hand and affixed the seal of REGISTER OF DEEDS on 9.21.09.

By: Carolyne A. Barnhart
DEPUTY CLERK Carolyne A. Barnhart

Per PA #53, effective 9-6-07

EXHIBIT 22

"Working Capital Loan Documents"

1. Working Capital Loan Agreement
2. Working Capital Promissory Note
3. Lockbox Account Agreement

WORKING CAPITAL LOAN AGREEMENT

THIS WORKING CAPITAL LOAN AGREEMENT (this "Loan Agreement") is made as of this 12th day of February 2002, by and between FOX RUN VILLAGE, INC., a Maryland corporation ("FRV"), having an address at 701 Maiden Choice Lane, Baltimore, Maryland 21228, and NOVI CAMPUS, LLC, a Maryland limited liability company ("NC"), having an address at 701 Maiden Choice Lane, Baltimore, Maryland 21228.

RECITALS

NC is the owner of certain property located in Novi, Michigan (the "Property") which NC intends to develop as a continuing care retirement community (the "Retirement Community").

FRV and NC have entered into a Master Lease and Use Agreement of even date herewith (the "Master Lease"), pursuant to which FRV shall lease the Property by phases.

Under the Master Lease, FRV is or shall be obligated to, inter alia, purchase insurance for the Property, pay taxes on the Property, and to otherwise make any and all valid, operating expenditures necessary or desirable for maintaining the Property.

The parties have determined that FRV shall borrow from NC from time to time certain sums as a loan to enable FRV to perform its aforementioned obligations pursuant to the Master Lease.

To secure FRV's obligations under the Loan, FRV has executed a Lockbox Account Agreement of even date herewith (the "Lockbox Agreement").

The parties intend that the aggregate loan made by NC to FRV shall not exceed at any one time an amount equal to Sixteen Million Dollars ($16,000,000).

As evidence of the loan, FRV has executed a Working Capital Promissory Note in the form attached hereto as Exhibit C (the "Note").

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions. For the purposes of this Loan Agreement and the Note, the following terms shall have the indicated meanings:

Capital Budget -The annual budget prepared by FRV setting out all capital repairs and replacements FRV is obligated to perform pursuant to the terms of the Master

Lease, which budget shall be prepared by FRV and submitted to NC no later than February 1 of each year.

Construction Financing - The loan or loans made by Mercantile-Safe Deposit and Trust Company and any other lender (if any) to NC to finance the construction of the Retirement Community.

Continuing Care Unit - The residential unit of a Resident at the Retirement Community, including independent living units, assisted living units, and nursing units.

Disbursement Date - The date on which Loan advances shall be disbursed from NC to FRV.

Disbursement Request - The written request by FRV to NC for an advance of the Loan.

FRV – Fox Run Village, Inc., a Maryland corporation authorized to do business in Michigan, and its successors and assigns under this Loan Agreement.

Loan - The funds advanced by NC to FRV pursuant to this Loan Agreement and the Note.

Loan Agreement - This Working Capital Loan Agreement, as the same may be amended, restated, supplemented or otherwise modified in writing from time to time.

Loan Documents - All notes, certificates, financing statements, security instruments and any other documents or agreements executed and delivered by FRV in connection with the Loan, including, but not limited to, that certain Lockbox Account Agreement dated of even date herewith by and between NC and FRV.

Master Lease - That certain Master Lease and Use Agreement dated as of the date of this Loan Agreement by and between NC and FRV, as the same may be amended, restated, supplemented or otherwise modified in writing from time to time.

NC - Novi Campus, LLC, a Maryland limited liability company authorized to do business in Michigan, and its successors and assigns under this Loan Agreement.

Note - The Working Capital Promissory Note of even date herewith, executed by FRV evidencing the Loan, as the same may be amended, restated, supplemented or otherwise modified in writing from time to time.

Operating Budget - The annual budget prepared by FRV setting forth FRV's costs and income with respect to the operation of the Retirement Community, which

operating budget shall be prepared and submitted to NC for review and approval no later than February 15 of each year.

Premises - The portion of the Property, together with all improvements located thereon, leased to FRV pursuant to the Master Lease.

Property - The real property of NC located in Novi, Michigan, which Property is more particularly described in Exhibit A attached hereto.

Residence and Care Agreement - The continuing care contract executed by and between FRV and each Resident of the Retirement Community detailing the residential and other rights and obligations of the Resident and the rights and obligations of FRV.

Resident - An occupant of the Retirement Community pursuant to a Residence and Care Agreement.

Retirement Community - The continuing care retirement community located on the Premises.

2. The Loan. Upon and subject to the terms and conditions set forth herein, NC agrees to lend to FRV, and FRV agrees to borrow from NC the Loan, in an aggregate principal amount outstanding at any one time not to exceed Sixteen Million Dollars ($16,000,000), to be disbursed as set forth herein. Notwithstanding any term to the contrary herein, NC shall not be obligated to lend to FRV any sums in excess of Sixteen Million Dollars ($16,000,000).

3. Loan Disbursement. Not more often than once a month, FRV shall send to NC a Disbursement Request for the amount of any proposed advance under the Loan. Such written request shall include supporting documentation, acceptable to NC in NC's sole discretion, to evidence that the Loan advances shall be used for valid operating expenditures for the operation of the Retirement Community, pursuant to an Operating Budget and a Capital Budget that NC has reviewed and approved in accordance with the Master Lease. Subject to the provisions of Article 8 of this Loan Agreement, NC shall disburse to FRV the Loan advances within ten (10) business days of receipt of the Disbursement Request and supporting documentation acceptable to NC.

4. The Note. As evidence of the Loan, FRV has executed and delivered the Note to NC in the original principal balance of Sixteen Million Dollars ($16,000,000.00).

5. Interest. Accrued interest on the aggregate amount of Loan advances outstanding shall be payable monthly in accordance with the terms and conditions of the Note.

6. Repayment of Principal. The entire principal amount outstanding under the Loan, unless sooner accelerated or paid, shall be due and payable on the maturity date of the Note. FRV

may prepay or repay all or any portion of the principal amount of the Loan at any time, without penalty.

7. Representations, Covenants, and Warranties.

7.1 FRV hereby represents, covenants, and warrants that:

7.1.1. FRV has been duly established as a Maryland corporation, is authorized to do business in and is in good standing in the State of Michigan, has full power and authority to own its assets, to conduct the activities in which it is engaged, and is in compliance in all material respects with all laws, regulations, ordinances, orders and other requirements of all governmental bodies or agencies applicable to it or its business activities.

7.1.2. The borrowing evidenced by this Loan Agreement and the Note is duly within the power of FRV, has been duly authorized, has received all necessary governmental approvals, and will not violate any provision of law, order of court or governmental agency, or any indenture, agreement or other instrument to which FRV or any of its members is party or is bound. This Loan Agreement and the Note, when executed and delivered by FRV, shall constitute the legal, valid, and binding obligations of FRV according to their terms.

7.1.3. All Loan advances disbursed pursuant to this Loan Agreement shall be used by FRV solely for valid operating expenditures for the Retirement Community, pursuant to the Operating Budget and the Capital Budget.

7.1.4. The Articles of Incorporation and By-Laws of FRV forwarded by FRV to NC are true, correct and complete, and unmodified as of the date hereof.

7.2 Contemporaneous with the execution of this Loan Agreement, NC shall deliver to FRV:

7.2.1. A copy of the Articles of Organization and the Operating Agreement of NC;

7.2.2. Certificate of the Maryland State Department of Assessments and Taxation as to the good standing of NC; and

7.2.3. A resolution executed by the members of NC consenting to the lending of the funds evidenced by the Loan and the execution and delivery of this Loan Agreement by NC.

8. Conditions Precedent to Disbursement. In addition to any other condition stated herein, the following shall be conditions precedent to the disbursement of any proceeds of the Loan:

8.1. Contemporaneous with the execution of this Loan Agreement, FRV shall deliver to NC:

8.1.1. A copy of the Articles of Incorporation and By-Laws of FRV;

8.1.2. Certificate of the Maryland State Department of Assessments and Taxation as to the good standing of FRV;

8.1.3. Certificate of the State of Michigan as to the registration or qualification of FRV to transact business in Michigan;

8.1.4. A resolution executed by the Board of Directors of FRV consenting to the borrowing of the funds evidenced by the Loan and the execution and delivery of this Loan Agreement and the Note by FRV; and

8.1.5. The Note, fully executed by FRV; and

8.1.6. The Lockbox Agreement, fully executed by FRV.

8.2. All representations and warranties of FRV shall be true and correct in all material respects on the date of each disbursement.

8.3. There shall not have occurred and be continuing any Event of Default in the performance or observance of any of the covenants, agreements or conditions to be performed or observed by FRV under this Loan Agreement, the Note, or the Master Lease, nor shall there have occurred and be continuing any event, fact or circumstance which, with the passage of time, the giving or notice, or both, could constitute such a default.

8.4. Until the Construction Financing has been satisfied and released, NC shall have received an advance under the Construction Financing equivalent to any such proposed Loan disbursement that is authorized to be disbursed to FRV under the Loan.

9. Default.

9.1. FRV shall be deemed to be in default of this Loan Agreement in the event of any one or more of the following occurrences:

9.1.1. FRV fails to make any payment of interest or principal under this Loan Agreement or the Note within ten (10) days following the due date thereof;

9.1.2. FRV fails to perform any of its covenants and obligations other than the payment of interest or principal pursuant to this Loan Agreement, the Note or the Lockbox Agreement and fails to either cure said default within ten (10) days of

written notice from NC specifying the failure or, if the default is of a nature that cannot be cured within ten (10) days, commence curing said default within such time;

9.1.3. FRV fails to perform or satisfy any of its covenants or obligations under the Master Lease and falls to cure said default within the time provided in the Master Lease (if any);

9.1.4. FRV uses any of the disbursed Loan advances for any purpose other than valid operating expenses of the Retirement Community;

9.1.5. FRV is adjudicated to be bankrupt or insolvent;

9.1.6. FRV makes an assignment for the benefit of its creditors;

9.1.7. FRV consents or applies for the appointment of a trustee or receiver for FRV;

9.1.8. Any voluntary or involuntary petition is filed by or against FRV under any section or chapter of the United States Bankruptcy Code, or any similar federal or state statute, and in the event of an involuntary filing, such filing is not vacated within thirty (30) days; or

9.1.9. FRV fails to maintain its status as a 501(c)(3) corporation after first qualifying as such, pursuant to a final and unappealable adjudication by a competent authority.

9.2. Upon a default by FRV under this Loan Agreement, NC's obligation to disburse Loan advances shall immediately terminate. NC may also, at its sole discretion, declare the Note to be immediately due and payable in full, together with any accrued interest thereunder, and bring an action therefor, without necessity for presentment, demand, notice, or protest, all of which are waived by FRV. NC's rights upon default are in addition to any rights which NC may have at law or in equity.

10. Entire Agreement. This Loan Agreement and the Note constitute the entire agreement between the parties in respect of the Loan and there are no oral agreements between the parties in connection herewith. This Loan Agreement and the Note may be amended only in writing upon execution of both parties.

11. Assignment. FRV shall not assign its rights and obligations under this Loan Agreement or the Note without the prior written consent of NC.

12. Survival of Covenants. All representations, covenants, and warranties made herein shall survive the making of the Loan and the delivery of the Note.

13. Governing Law. This Loan Agreement and the Note shall be governed by the law of the State of Maryland, and venue for all proceedings under this Loan Agreement, the Note or the Loan shall be in the State of Maryland.

14. Severability. In the event that any provision of this Loan Agreement or the Note is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remainder of the Loan Agreement or the Note which shall remain in full force and effect and shall be construed as though they had not contained the invalid or unenforceable provision.

15. Consent to Representation. The parties hereto consent to multiple representation by the attorney(s) drafting this Loan Agreement or the Note, or any amendments thereto and waive any claim of conflict of interest.

16. Successors and Assigns. The covenants herein shall be binding upon, and the rights hereunder shall inure to the benefit of the parties, their personal representatives, successors and assigns.

17. Waiver. No delay on the part of NC in exercising any of its rights under this Loan Agreement or the Note shall operate as a waiver thereof, and no single or partial exercise of any such rights (including acceptance of late payments by NC) shall preclude other or further exercise thereof, or the exercise of any other rights. Waiver by NC of any default by FRV, or any other party, shall not constitute a waiver of any subsequent defaults but shall be restricted to the default so waived.

18. Notices. Any notice required or permitted by this Loan Agreement or the Note, to be given by either party to the other, may be either personally delivered or sent by certified mail, properly addressed and prepaid, to the addresses of the parties set forth on Exhibit B hereof, unless another address shall have been substituted for such address by notice in writing, the date of personal delivery being taken as the date of the giving of such notice.

19. Security. As collateral security for FRV's obligations hereunder, FRV herewith assigns and sets over to NC all of its right, title and interest in and to all Residence and Care Agreements entered into with respect to Continuing Care Units in the Property, and particularly all payments due thereunder, and grants to NC a security interest therein. FRV has executed a Security Agreement, Pledge and Collateral Assignment of Licenses and Residence and Care Agreements dated of even date herewith to evidence this Assignment. FRV will, on request, execute and cause to be filed in appropriate record offices any financing statements, continuation statements or other documents, including a collateral assignment, as may be necessary or appropriate to perfect such security interest. In the event of default by FRV in any of its obligations under this Loan Agreement, NC shall have the right to exercise all rights of FRV under such Residence and Care Agreements, including the right to collect all payments due thereunder, to set fees and charges payable to all future periods, and to enter into such modifications, terminations or amendments thereof as NC may deem appropriate (provided the rights of Residents to occupy the Continuing Care Units within their respective Residence and Care Agreements are not impaired) all without notice to or concurrence of FRV. In such event, FRV will give notice to each resident subject to a Residence and Care

Agreement assigned hereunder that NC has succeeded to FRV's rights thereunder. In addition, FRV herewith assigns and sets over to NC all of its right, title and interest in, to and under all licenses, certificates of need, operating permits, franchises and other governmental authorizations and approvals now or hereafter existing with respect to the acquisition, construction, renovation, expansion, leasing, ownership and/or operation of the Retirement Community, including all certificates of need, licenses and other authorizations of any kind in connection with any nursing home or other health care facilities which are a part of the Retirement Community, and any and all licenses issued by any governmental authority relating to the operation of food and beverage facilities and/or amenities, and any and all third-party payment contracts under which payment may be made for services rendered at the Retirement Community, including, but not limited to, Medicare and Medicaid provider agreements issued to FRV and the Retirement Community, together with all additions to, modifications of and substitutions for any of the foregoing. Tenant has executed an Assignment of Licenses and Contracts dated of even date herewith to evidence this Assignment.

20. Limitation on Liability of Members. The parties hereby agree and confirm that upon the occurrence of any default and/or Event of Default under any provision of this Loan Agreement, if any judicial proceedings to enforce the obligations of either party is brought by any party, such proceedings shall be limited to the property and assets of the party. No judgment or suit shall be sought or obtained by any party against the members of the parties, or any officer, director or employee of a member or their assets. Nothing herein contained shall limit or impair the liability of a member of a party for any obligation arising independently of their status as a member of such party.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed as of the date first above written.

WITNESS:

FOX RUN VILLAGE, INC.

By: _____ (Seal)
Bruce R. Grindrod, Jr.
President

WITNESS:

NOVI CAMPUS, LLC
By: Erickson Retirement Communities, LLC,
Member

By: _____ (Seal)
Andrew V. Aldi, Chief Operation Officer
and Executive Vice President

APPROVED AS TO LEGAL SUFFICIENCY

Bank Of America - CD#13 - Control ID#1133

WORKING CAPITAL LOAN AGREEMENT
BY AND BETWEEN
FOX RUN VILLAGE, INC.
AND
NOVI CAMPUS, LLC

EXHIBIT A

Property Description

EXHIBIT A

Legal Description

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3:

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

PARCEL 4:

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

ALSO DESCRIBED AS:

Part of the West ½ of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Commencing at the Southwest Corner of Section 1, Town 1 North, Range 8 East; thence along the West Line of Section 1, North 03°28'39" West 60.01 feet to the POINT OF BEGINNING; thence continuing along the West Line of Section 1, North 03°28'39" West 2590.40 feet to the West ¼ Corner of Section 1, Town 1 North, Range 8 East; thence along the West Line of Section 1 and along the boundary of "The Maples of Novi, Maple Hills", Oakland County Condominium Plat No. 627, North 02°28'35" West 649.69 feet; thence continuing along the boundary of "The Maples of Novi, Maple Hills" the following two (2) courses: one (1) North 87°21'41" East 682.69 feet and two (2) North 03°11'10" West 2.24 feet; thence along the south boundary of "Haverhill Farms", Oakland County Condominium Plat No. 912, North 87°19'27" East 693.69 feet; thence South 03°16'01" East 3236.69 feet to a point 70.00 feet North of the South Line of Section 1, thence along the North Line of Thirteen Mile Road the following five (5) courses: one (1) South 87°31'40" West 25.33 feet, two (2) South 02°28'20" East 15.00 feet, three (3) South 87°31'40" West 300.00 feet, four (4) North 02°28'20" West 5.00 feet, and five (5) South 87°31'40" West 1050.40 feet to the POINT OF BEGINNING. Contains 102.817 Acres.

WORKING CAPITAL LOAN AGREEMENT
BY AND BETWEEN
FOX RUN VILLAGE, INC.
AND
NOVI CAMPUS, LLC

EXHIBIT B

Notice Addresses

Notice shall be given as follows:

NC: c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: Legal Department

FRV: FOX RUN Village, INC.
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: Legal Department

Bank Of America - CD#13 - Control ID#1133

WORKING CAPITAL LOAN AGREEMENT
BY AND BETWEEN
FOX RUN VILLAGE, INC.
AND
NOVI CAMPUS, LLC

EXHIBIT C

FORM OF PROMISSORY NOTE

February 12, 2002 $16,000,000

WORKING CAPITAL PROMISSORY NOTE

FOR VALUE RECEIVED, FOX RUN VILLAGE, INC. ("FRV") promises to pay to the order of NOVI CAMPUS, LLC ("NC") at NC's offices at 701 Maiden Choice Lane, Baltimore, Maryland, 21228, the principal sum of Sixteen Million Dollars ($16,000,000) (or so much thereof as has been advanced hereunder from time to time), together with interest thereon at the rate hereinafter provided and any and all other sums which may be owing to the holder of this Note by FRV, on the eighth (8th) anniversary date of the date of this Note (the "Maturity Date"). The following terms shall apply to this Note:

1. Interest Rate. For the period from the date of this Note until the Maturity Date, interest shall accrue on the outstanding principal of this Note at the floating rate obtained by adding one percentage point (1 %) to the prime rate of interest, such rate to be adjusted based on the interest rate in effect as of the last business day of each month during the term hereof. The prime rate as used herein refers to that interest rate declared by Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation, from time to time.

2. Repayment. Interest accrued hereunder shall be paid to NC over the term hereof monthly in arrears, beginning on April 1, 2002 and continuing on the first date of each succeeding calendar month until the Maturity Date, at which time the entire outstanding principal amount hereof together with any accrued and unpaid interest, as well as any other fees and charges due hereunder, shall be due and payable in full in a single lump sum payment.

3. Calculation of Interest. Interest shall be calculated on the basis of a three hundred sixty (360) days per year factor applied to the actual days on which there exists an unpaid principal balance. Interest shall be calculated by NC and billed to FRV for each appropriate period; provided, however, that failure of NC to bill FRV shall not relieve FRV's payment obligations hereunder.

4. Application of Payments. All payments made hereunder shall be applied first to accrued interest, and then to principal.

5. Prepayment. FRV may prepay or repay all or any portion of the principal amount of this Note at any time without penalty.

6. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any default by FRV as defined in the Loan Agreement, NC may raise the rate of interest accruing on the disbursed unpaid principal balance by two (2) percentage points above the

rate of interest otherwise applicable, independent of whether NC elects to accelerate the unpaid principal balance as a result of such default.

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

8. Expenses of Collection. Should this Note be referred to an attorney for collection, whether or not suit has been filed, FRV shall pay all of NC's costs, fees (including reasonable attorneys' fees) and expenses resulting from such referral.

9. Waiver of Protest. FRV, and all parties to this Note, whether maker, indorser, or guarantor, waive presentment, notice of dishonor and protest.

10. Waiver of Jury Trial. FRV and NC hereby voluntarily and intentionally waive any right they may have to a trial by jury in any action, proceeding or litigation directly or indirectly arising out of or under or in connection with this Note. This waiver applies to all claims against all parties to such actions and proceedings, including parties who are not parties to this Note. This waiver is knowingly, intentionally, and voluntarily made by FRV, which acknowledges that it has been represented in the execution of this Note and in the making of this waiver by legal counsel and that it has had the opportunity to discuss this waiver with counsel. FRV further acknowledges that it has read and understands the meaning and ramifications of this waiver provision.

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

WITNESS:

_____

FOX RUN VILLAGE, INC.

By:_____ (Seal)
Bruce R. Grindrod, Jr.
President

APPROVED AS TO LEGAL SUFFICIENCY _____

February 12, 2002 $16,000,000

WORKING CAPITAL PROMISSORY NOTE

FOR VALUE RECEIVED, FOX RUN VILLAGE, INC. ("FRV") promises to pay to the order of NOVI CAMPUS, LLC ("NC") at NC's offices at 701 Maiden Choice Lane, Baltimore, Maryland, 21228, the principal sum of Sixteen Million Dollars ($16,000,000) (or so much thereof as has been advanced hereunder from time to time), together with interest thereon at the rate hereinafter provided and any and all other sums which may be owing to the holder of this Note by FRV, on the eighth (8th) anniversary date of the date of this Note (the "Maturity Date"). The following terms shall apply to this Note:

1. Interest Rate. For the period from the date of this Note until the Maturity Date, interest shall accrue on the outstanding principal of this Note at the floating rate obtained by adding one percentage point (1 %) to the prime rate of interest, such rate to be adjusted based on the interest rate in effect as of the last business day of each month during the term hereof. The prime rate as used herein refers to that interest rate declared by Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation, from time to time.

2. Repayment. Interest accrued hereunder shall be paid to NC over the term hereof monthly in arrears, beginning on April 1, 2002 and continuing on the first date of each succeeding calendar month until the Maturity Date, at which time the entire outstanding principal amount hereof together with any accrued and unpaid interest, as well as any other fees and charges due hereunder, shall be due and payable in full in a single lump sum payment.

3. Calculation of Interest. Interest shall be calculated on the basis of a three hundred sixty (360) days per year factor applied to the actual days on which there exists an unpaid principal balance. Interest shall be calculated by NC and billed to FRV for each appropriate period; provided, however, that failure of NC to bill FRV shall not relieve FRV's payment obligations hereunder.

4. Application of Payments. All payments made hereunder shall be applied first to accrued interest, and then to principal.

5. Prepayment. FRV may prepay or repay all or any portion of the principal amount of this Note at any time without penalty.

6. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any default by FRV as defined in the Loan Agreement, NC may raise the rate of interest accruing on the disbursed unpaid principal balance by two (2) percentage points above the

rate of interest otherwise applicable, independent of whether NC elects to accelerate the unpaid principal balance as a result of such default.

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

8. Expenses of Collection. Should this Note be referred to an attorney for collection, whether or not suit has been filed, FRV shall pay all of NC's costs, fees (including reasonable attorneys' fees) and expenses resulting from such referral.

9. Waiver of Protest. FRV, and all parties to this Note, whether maker, indorser, or guarantor, waive presentment, notice of dishonor and protest.

10. Waiver of Jury Trial. FRV and NC hereby voluntarily and intentionally waive any right they may have to a trial by jury in any action, proceeding or litigation directly or indirectly arising out of or under or in connection with this Note. This waiver applies to all claims against all parties to such actions and proceedings, including parties who are not parties to this Note. This waiver is knowingly, intentionally, and voluntarily made by FRV, which acknowledges that it has been represented in the execution of this Note and in the making of this waiver by legal counsel and that it has had the opportunity to discuss this waiver with counsel. FRV further acknowledges that it has read and understands the meaning and ramifications of this waiver provision.

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

WITNESS:

FOX RUN VILLAGE, INC.

By: _____ (Seal)
Bruce R. Grindrod, Jr.
President

APPROVED AS TO LEGAL SUFFICIENCY _____

LOCKBOX ACCOUNT AGREEMENT

THIS LOCKBOX ACCOUNT AGREEMENT is made as of the 12th day of February, 2002 by and among FOX RUN VILLAGE, INC., a Maryland corporation ("Assignor") and NOVI CAMPUS, LLC, a Maryland limited liability company ("Secured Party").

PRELIMINARY STATEMENTS

A. Secured Party has agreed to make a loan to Assignor in the principal amount of up to Ten Million Dollars ($10,000,000)(the "Working Capital Loan"), pursuant to a Working Capital Loan Agreement dated of even date herewith (the "Working Capital Loan Agreement"), which Working Capital Loan is evidenced by a certain Working Capital Promissory Note made by Assignor to the order of Secured Party dated of even date herewith (the "Note"), in connection with the development and operation of a retirement community to be known as Fox Run Village Retirement Community located in Oakland County, Michigan (the "Retirement Community").

B. Assignor has agreed to make a loan to Secured Party in the principal amount of up to Four Hundred Five Million Dollars ($405,000,000) the ("Community Loan") pursuant to a Community Loan Agreement dated of even date hereof (the "Community Loan Agreement").

C. Secured Party and Assignor are parties of that certain Master Lease and Use Agreement dated of even date herewith, pursuant to which Secured Party has agreed to lease to Assignor the property and improvements constituting the Retirement Community (the "Lease").

D. The Assignor's obligations under the Working Capital Loan, the Community Loan and the Lease are secured in part by a Security Agreement Pledge, and Collateral Assignment of Licenses and Residence and Care Agreements dated of even date herewith between Assignor, and Secured Party (the "Security Agreement"), pursuant to which, Assignor assigned to Secured Party all of Assignor's right, title and interest in and to all inventory, accounts, general intangibles, chattel paper, equipment and fixtures, licenses, Residence and Care Agreements (as defined in the Security Agreement), and cash and deposits, but only the foregoing which are now located at, or are used in connection with or relate to, or arise from the Retirement Community, its development, financing and operation (collectively, the "Collateral"). The Note, the Working Capital Loan Agreement, the Community Loan Agreement, the Lease, the Security Agreement and every other agreement, document, instrument, mortgage, deed of trust, assignment or guarantee given as security for, or entered into in connection with the Loan, are collectively referred to herein as the **"Transaction Documents".**

E. By letter (collectively, the "Resident Letters") from Assignor to each resident of the Retirement Community (individually a "Resident"; collectively, the "Residents" which term shall include any and all residents of the Retirement Community while this Agreement is in effect), in the form of Exhibit A attached hereto, Assignor is unconditionally and irrevocably directing each Resident to send all payments made under the Residence and Care Agreements (but excluding any Entrance Deposits, as defined in the Security Agreement, and which are to be deposited directly with the Bank (as defined below) in accordance with the terms thereof) (collectively, the "Resident Fees") to a lockbox account (the "Lockbox Account", which term shall include any successor lockbox account designated by Secured Party) established by

Secured Party at Mercantile-Safe Deposit & Trust Company, or such other financial institution as Secured Party may designate from time to time, (collectively, the "Bank").

F. Assignor and Secured Party desire to ratify and confirm all of the foregoing actions and to make provision for future disbursements of funds from the Lockbox Account.

NOW, THEREFORE, in consideration of the foregoing Recitals and for other good and valuable consideration received by each party hereto from the other, the receipt and sufficiency of which are hereby acknowledged, Assignor and Secured Party, for themselves and for their respective successors and assigns, hereby agree as follows:

1. Continuation of Assignor's Obligations.

(a) Except as provided in this Agreement, Assignor shall continue to be responsible for the performance of all of its duties and obligations under the Transaction Documents, including, but not limited to, its obligations to timely perform all of its responsibilities under all agreements relating to the Retirement Community.

(b) Assignor covenants and agrees (i) not to revoke, supplement or in any way modify the Resident Letters unless instructed to do so by Secured Party, (ii) to be liable for any and all damages suffered by Secured Party as a result of any unauthorized revocation, supplementation or modification of the Resident Letters by Assignor or any of its members, or as a result of any appropriation or application of any Resident Fees in contravention of the terms of this Agreement, and (iii) to indemnify and hold Secured Party harmless from and against any and all loss, cost, liability, claim, expense, judgment and damage, including reasonable attorneys' fees, sustained, suffered or incurred by Secured Party, caused by, arising out of, or relating or attributable to the violation of the covenants and agreements contained in this Section 1 (b).

2. Audit; Deposits.

(a) Assignor shall cooperate with Secured Party and provide Secured Party with access to all records relating to the Retirement Community so that Secured Party may conduct audits at such reasonable times as determined by Secured Party of all Resident Fees received and all expenses incurred by Assignor with respect to the Retirement Community.

(b) If Assignor shall at any time during the term of this Agreement receive from any Resident or any other party any Resident Fees, Assignor shall immediately either deposit such Resident Fees directly into the Lockbox Account or remit such Resident Fees to Secured Party for deposit into the Lockbox Account.

(c) Assignor hereby agrees that Secured Party shall have full power and authority to endorse and deposit all checks or other instruments to the Lockbox Account whether or not such checks or other instruments are made payable to Secured Party, Assignor, or otherwise.

(d) Secured Party is and shall be at all times the sole owner of the Lockbox Account and shall have the right to change the identity of the Lockbox Account depository at any time and without notice to Assignor. Assignor hereby acknowledges that it does not have access to the Lockbox Account and has no ownership interest whatsoever in the Lockbox Account,

including, without limitation, any power or authority to withdraw or wire transfer funds from, or to direct the withdrawal or wire transfer of funds from, the Lockbox Account, and agrees that it shall not now or in the future seek access to, or claim any ownership interest in the Lockbox Account, including, without limitation, the power to exercise any of the foregoing rights, nor shall it attempt to direct the Residents to deposit monies attributable to the Retirement Community into an account other than the Lockbox Account.

3. Term.

Unless sooner terminated by Secured Party in their sole discretion, this Agreement shall continue in full force and effect until payment in full of all amounts due Secured Party under the Transaction Documents, at which time Secured Party upon demand of Assignor shall provide Assignor with a notice for each Resident, executed by Secured Party, informing the Residents that (i) this Agreement and the Lockbox Account have terminated, and (ii) all Resident Fees shall thereafter be paid directly to Assignor or as may be otherwise directed by Assignor.

4. Payment of Debt Service and Rent.

The following procedures shall be in effect so long as no Event of Default has occurred under the Loan Documents.

(a) For as long as the provisions of this Section 4 are in effect, Assignor hereby authorizes and directs the Secured Party to transfer or withdraw funds each month on the first (lst) day of each month (or, if such day is not a business day, the first business day thereafter) (the "Payment Date") from the Lockbox Account to pay the Obligations (as defined below) then due and payable for such month. The Secured Party will transfer the total amount due and owing to the Secured Party for the Obligations. As used herein, the "Obligations" means all (i) payment obligations of Assignor under the Working Capital Loan, including principal, interest, late fees and premiums, if any, (ii) all Rent described in and due and payable to the Secured Party by Assignor under the Lease, less (iii) any sums due to Assignor by Secured Party under the Community Loan Agreement.

(b) Promptly after the completion of the monthly transfers or withdrawals described in paragraph 4(a) above, and again on the fifteenth (15th) day of each month, the Secured Party shall transfer all amounts remaining in the Lockbox Account, reduced by the amounts required to pay the Obligations, for the following month, to an operating account (the "Operating Account") opened in Assignor's name with a bank approved by the Bank. Assignor shall be fully responsible for the timely payment of all operating expenses of the Retirement Community from the Operating Account. If at any time there are insufficient funds in the Operating Account to pay all operating expenses as and when due, Assignor shall be liable for the payment of such operating expenses.

(c) If on the Payment Date of each month there are insufficient funds in the Lockbox Account to pay the Obligations, then Assignor shall be fully responsible for the timely payment of the shortfall amount to the Secured Party from sources other than the Lockbox Account. Assignor shall pay such shortfall amount to the Secured Party within two (2) business days after notice for deposit into the Lockbox Account. The Secured Party may, but shall have

no obligation to, make partial payments of the Obligations to the extent of funds available in the Lockbox Account. Failure by Assignor to comply with its duties and obligations under this Section 4(c) shall constitute an Event of Default under the Transaction Documents.

5. Transfers After Default.

Following an Event of Default under any of the Transaction Documents, at Secured Party's sole option, transfers to the Operating Account shall cease and Secured Party shall have the right to disburse all funds accruing in the Lockbox Account from time to time to pay the indebtedness and obligations under the Transaction Documents, in such manner and order as Secured Party shall deem advisable in the Secured Party's sole discretion. Secured Party shall also have the right, but not the obligation, to disburse funds accruing in the Lockbox Account from time to time to pay the operating expenses of the Retirement Community.

6. Authority.

Assignor hereby warrants and represents (i) that it has the right, power and authority to execute this Agreement; (ii) that the execution of this Agreement by Assignor is and shall be a binding obligation of Assignor in accordance with its respective terms; and (iii) that the person or entity executing this Agreement on behalf of Assignor is the duly authorized representative of Assignor, and is authorized to execute and deliver to Secured Party and to the Residents all notices, assignments, and agreements, including, but not limited to, the Resident Letters and this Agreement, on behalf of the Assignor.

7. Assignment of Resident Fees and Residence and Care Agreements.

This Agreement is intended to confer upon Secured Party certain rights with respect to the Resident Fees and Residence and Care Agreements which are in furtherance of and in addition to those granted by the Security Agreement. This Agreement and the Security Agreement shall be construed to the maximum extent possible to avoid any conflict between the respective provisions of such documents, but in the event of any irreconcilable conflict the terms of this Agreement shall govern.

8. Limitation of Liability.

Assignor, by executing this Agreement, hereby consents to the use of the Lockbox Account and the selection of the Bank. Secured Party shall not be liable to Assignor for any claims, suits, actions, costs, damages, liabilities, and expenses arising out of the use of the Lockbox Account, the selection of the Bank, or the loss of any monies as a result of the insolvency of the Bank.

9. Security Interest and Pledge.

Notwithstanding the parties' intention that the Secured Party be the sole owner of the Lockbox Account, to the extent that Assignor may be deemed to have any ownership interest in the Lockbox Account, Assignor hereby grants to the Secured Party a security interest in and a pledge of the Lockbox Account and all funds deposited therein, to secure the payment and performance of its obligations to the Secured Party under the Transaction Documents. The

security interest hereby granted and conveyed covers and will cover all forms of accounts in which funds in such Lockbox Account are placed, as well as all income and proceeds from the disposition of such accounts. Assignor hereby agrees that a copy of this Agreement may be filed of record as a financing statement if the Secured Party deems such filing to be necessary or advisable.

10. Further Assurances.

Assignor shall do, execute, acknowledge, and deliver, at the sole cost and expense of Assignor, all such further acts, assignments, notices, agreements, and instruments as Secured Party may reasonably require from time to time in order to better assure, convey, secure, assign, transfer, and confirm unto Secured Party the rights now or hereafter intended to be granted to Secured Party under this Agreement, any other instrument executed in connection with this Agreement, or any other instrument under which Assignor may hereafter become bound to convey, mortgage, or assign any monies, Retirement Community, or rights to Secured Party for carrying out the intention or facilitating the performance of the terms of this Agreement.

11. Notices.

All notices, demands, requests and ether communications required hereunder shall be in writing and shall be deemed to have been properly given if delivered, sent by receipted overnight delivery service, or sent by United States certified or registered mail, return receipt requested, postage prepaid, addressed to the party for whom it is intended at its address hereinafter set forth:

If to Assignor:	Fox Run Village, Inc. 701 Maiden Choice Lane Baltimore, Maryland 21228 Attn: President
With a copy to:	Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228 Attn: General Counsel
If to the Secured Party:	Novi Campus, LLC c/o Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228 Attn: Chief Operating Officer
With a copy to:	Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228 Attn: General Counsel

Notwithstanding the foregoing, any notice in fact received shall be deemed properly given. Any party may designate a change of address by written notice to the others, give at least ten (10) days before such change of address is to become effective.

12. Costs and Expenses.

Assignor shall be responsible for payment of all costs and expenses of Secured Party in respect of the Lockbox Account, including without limitation all fees and expenses of the Bank or any successor bank that is the depository of the Lockbox Account. Failure of the Assignor to pay any such costs and expenses within ten (10) days after written notice thereof shall constitute an event of default hereunder and under the Loan Documents.

13. Modifications.

This Agreement may not be altered, amended, changed, waived, terminated, or modified in any respect unless the same shall be in writing and signed by or on behalf of each of the parties hereto, and may not be changed or terminated orally.

14. Waivers.

Waivers of any term or condition of this Agreement must be in writing signed by the party against whom such waiver is sought to be enforced. No waiver of any breach hereunder shall be deemed to be a waiver of any other or subsequent breach. Except as otherwise provided in this Agreement, failure by any of the parties hereto to insist upon or enforce any rights herein shall not constitute a waiver thereof.

15. Severability.

If any provision of this Agreement is found to be inoperative, the remainder of the Agreement shall remain in full force and effect.

16. No Third Party Beneficiaries.

Nothing in this Agreement is intended or shall be construed to confer upon or to give to any person, firm, or corporation other than the parties hereto any right, remedy, or claim under or by reason of this Agreement. All terms and conditions in this Agreement shall be for the sole and exclusive benefit of the parties hereto and their designees.

17. Benefits and Burdens.

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successor and assigns.

18. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

19. Counterparts.

This Agreement may be executed in one or more duplicate originals, which, when taken together, shall constitute one agreement.

20. Recitals Incorporated.

All of the Recitals first set forth above are incorporated into this Agreement as if the same had been set forth fully herein.

21. Bank Loan.

For so long as a construction loan in the original principal amount of up to $46,000,000 to Secured Party from the Bank is outstanding, as the same may be extended, amended or modified (collectively the "Bank Loan"), then notwithstanding anything to the contrary contained herein, the Secured Party and the Assignor acknowledge and agree that the Bank shall have exclusive dominion and control over and with respect to the Lockbox Account pursuant to the terms of that certain Construction Loan Agreement between the Bank and the Secured Party of even date-herewith, as the same may be hereafter amended or modified (the "Construction Loan Agreement").

IN WITNESS WHEREOF, Assignor and Secured Party have caused this Agreement to be duly executed under seal the day and year first above written.

Witness:

NOVI CAMPUS, LLC
By: Erickson Retirement Communities, LLC, Member

Andrew V. Aldi
Chief Operating Officer and
Executive Vice President

Witness:

FOX RUN VILLAGE, INC.

By:
Bruce R. Grindrod, Jr.
President

APPROVED AS TO LEGAL SUFFICIENCY

EXHIBIT A

FORM OF RESIDENT LETTER

FOX RUN VILLAGE, INC.

By Certified Mail and
Regular Mail

_____
_____
_____

Re: Payment of Monthly Fees under Your Residence and Care Agreement at Fox Run Village

Dear Resident:

Beginning _____, 2000, please pay all monthly fees and other charges due under your Residence and Care Agreement by check made payable to "Novi Campus, LLC Lockbox Agreement" and sent to the following address:

P.O. Box _____
Baltimore, Maryland _____

Payments shall continue to be made in this manner until you receive further notice from Novi Campus, LLC.

Please be advised that Novi Campus, LLC has not assumed any of our obligations under your Residence and Care Agreement. Any communications regarding your Residence and Care Agreement should continue to be directed to me at my address shown at the top of this letter.

Very truly yours,

Fox Run Village, Inc.

Bruce R. Grindrod
President

EXHIBIT 21

"Lease"

1. Master Lease And Use Agreement

2. Fox Run Village Amendment To Master Lease And Use Agreement

3. Fox Run Village Retirement Community Second Amendment To Master Lease And Use Agreement

4. Memorandum Of Master Lease Recorded Among The Land Records Of Oakland County, Michigan

FOX RUN VILLAGE RETIREMENT COMMUNITY
MASTER LEASE AND USE AGREEMENT

THIS MASTER LEASE AND USE AGREEMENT (this "Lease"), is made as of this 12th day of February, 2002 by and between NOVI CAMPUS, LLC, a Maryland limited liability company, hereinafter called "NC," having an address at 701 Maiden Choice Lane, Baltimore, Maryland 21228; and FOX RUN VILLAGE, INC., a Maryland corporation, hereinafter called "FRV," having an address at 701 Maiden Choice Lane, Baltimore, Maryland 21228.

RECITALS

R.1. NC is the owner of certain real property located in Novi, Michigan (the "Property"), a legal description of which is attached hereto as Exhibit A.

R.2. NC intends to lease the Property, together with all improvements and personalty located thereon, to FRV. NC and FRV intend that this Lease shall set forth the general conditions and provisions for FRV's use of the Property.

R.3. Subject to feasibility and other factors to be determined by NC, the parties intend that NC shall develop the Property by Phases. Upon the substantial completion of construction of each Phase, NC and FRV shall execute Amendment One (in the form attached hereto as Exhibit B-1) to this Lease for said Phase, annexing the Phase into the Premises and stating the Rent during the Move-In Period. Upon the Completion of the Move-In Period of each Phase, NC and FRV shall execute Amendment Two (in the form attached hereto as Exhibit B-2) to this Lease for said Phase, confirming the Rent for the Phase throughout the remainder of the Lease Term.

NOW THEREFORE, for and in consideration of the payment of the rentals, and performance of the covenants and agreements hereinafter mentioned and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by the parties hereto, NC demises and leases unto FRV, and FRV hereby hires from NC, the right to occupy and use the Premises, on the following terms and conditions:

1. DEFINITIONS

For the purposes of this Lease, the following terms shall have the indicated meanings:

Additional Rent - The additional expenses to be paid by FRV as Rent pursuant to this Lease.

Amendment One - The amendment to this Lease to be executed by NC and FRV for each Phase at the beginning of the Initial Move-In Period for the Phase, the title of each such amendment to include the designation of the then applicable Phase.

Amendment Two - The amendment to the Lease to be executed by NC and FRV for each Phase upon the Completion of the Move-In Period for the Phase, the title of each such amendment to include the designation of the then applicable Phase.

Annual Rent - The total Rent for the Premises on a per annum basis.

Assisted Living Unit - A room accommodation for a Resident who is unable to perform normal functions necessary to live in an Independent Living Unit, but who needs a lesser degree of medical care, personal care and service than is provided in the Nursing Units.

Building - Any residential building, community building, chapel, pool building, garage, maintenance building or other structure located within the premises and designed to permit occupancy by human beings.

Capital Budget - A budget setting forth the anticipated capital repairs and renovations for the Premises for the projected twelve month period, which will show the source of funds for the items referenced in the Capital Budget.

Capital Reserve Fund - The fund to be established by FRV for capital improvements and replacement of capital items as provided in Subsection 21.3.2 of this Lease.

Care Center - The structure(s) in which Nursing Units are located.

Commencement Date - The date on which a Phase is annexed to the Premises through execution by NC and FRV of Amendment One to this Lease for such Phase.

Common Areas - The areas of the Premises not consisting of Units.

Community Building - A building constructed on the Premises in which dining, recreational, retail and offices uses are located.

Community Loan - Amounts loaned from time to time by FRV to NC pursuant to the Community Loan Agreement of even date herewith.

Community Loan Agreement - That certain Loan Agreement dated of even date herewith by and between FRV, as lender and NC, as borrower, together with all amendments, extensions and modifications thereto.

Date of Settlement - The date when a Resident is first authorized to take possession of a Unit pursuant to a Residence and Care Agreement.

Entrance Deposit - The entrance fee required to be paid (either in cash or by promissory note) to FRV by Residents on or before the Date of Settlement for the Resident's Unit, which

includes the Application Deposit, the New Apartment Building Deposit, the Signing Deposit, and the Move-In Deposit.

Environmental Requirements - All laws, ordinances, statutes, codes, rules, regulations, agreements, judgments, orders, and decrees, now or hereafter enacted, promulgated, or amended, of the United States, the states, the counties, the cities, or any other political subdivisions in which the Property is located, and any other political subdivision, agency or instrumentality exercising jurisdiction over the owner of the Premises, the Premises or the use of the Premises relating to pollution, the protection or regulation of human health, natural resources, or the environment, or the emission, discharge, release or threatened release of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or waste or Hazardous Materials into the environment (including, without limitation, ambient air, surface water, ground water or land or soil).

FRV –Fox Run Village, Inc., and its successors and assigns under this Lease.

Hazardous Materials - Any substance which is or contains (i) any "hazardous substance" as now or hereafter defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. § 9601 et seq.) ("CERCLA") or any regulations promulgated under CERCLA; (ii) any "hazardous waste" as now or hereafter defined in the resource Conservation and recovery Act (42.U.S.C. § 9601 et seq.) ("RCRA") or regulations promulgated under RCRA; (iii) any substance regulated by the Toxic Substances Control Act (15 U.S.C. §2601 et seq.); (iv) gasoline, diesel fuel, or other petroleum hydrocarbons; (v) asbestos and asbestos containing materials, in any form, whether friable or non-friable; (vi) polychlorinated biphenyls; (vii) radon gas; and (viii) any additional substances or materials which are now or hereafter classified or considered to be hazardous or toxic under Environmental Requirements or the common law, or any other applicable laws relating to the Property. Hazardous Materials shall include, without limitation, any substance, the presence of which on the Property requires reporting, investigation or remediation under Environmental Requirements.

Improvements - The buildings, appurtenances, and personalty to be built on the Property or supplied by NC for lease to FRV, and all replacements thereto.

Independent Living Unit - An accommodation at the Community for a Resident who is able to live independently within FRV's guidelines.

Initial Commencement Date - The Commencement Date for Phase One of the Retirement Community.

Lease - This Master Lease and Use Agreement.

Lease Term - The duration of this Lease as defined in Article 4 of this Lease.

Move-In Period - The period for each Phase beginning with the substantial completion of construction for such Phase and ending with the achievement of ninety-five percent (95%) occupancy of such Phase. Completion of the Move-In Period shall be the achievement of the ninety-five percent (95%) occupancy level.

NC – Novi Campus, LLC and its successors and assigns under this Lease.

Nursing Unit - A room accommodation for a Resident who is unable to perform normal functions necessary to live in an Independent Living Unit or Assisted Living Unit and who needs the degree of medical care, personal care and service that is provided in the Nursing Facility.

Operating Budget - A budget for the projected twelve month period which will indicate operating cash flow sufficient to meet the cash flow needs of the Community (including costs for maintenance and refurbishment of the Premises), when combined with proceeds from the Working Capital Loan. The Operating Budget shall show the source of funds by line item for the disbursements referred in the Operating Budget.

Option Notice Period - The thirty (30) day period commencing one hundred and eighty (180) days prior to the expiration of the then current Lease Term and ending one hundred and fifty (150) days prior to the end of the then current Lease Term.

Phase - An interval of development of the Retirement Community, consisting of a Building, and/or other Improvements, such interval of development to be determined by NC in its sole discretion.

Premises - The Property and Improvements leased and demised to FRV by NC pursuant to this Lease.

Property - The real property located in Novi, Michigan described in Exhibit A attached hereto.

Rent - The rental, including all Additional Rent, paid by FRV to NC on the Premises.

Residence and Care Agreement - The continuing care contract executed between FRV and each Resident of the Retirement Community detailing the residential and other rights and obligations of the Resident and the rights and obligations of FRV.

Resident - An occupant of the Retirement Community pursuant to a Residence and Care Agreement.

Retirement Community - The continuing life-care community located on the Property.

Site Plan - The plan attached hereto as Exhibit C detailing the lay-out of the Premises when completed as approved (as may be amended from time to time by NC without the requirement of consent by FRV).

Test Period - The nine (9) month period prior to the respective Option Notice Period.

Unit - The residential unit of a Resident at the Retirement Community, which may be an Independent Living Unit, an Assisted Living Unit, or a Nursing Unit.

Working Capital Loan - That loan made by NC to FRV in the amount of Sixteen Million Dollars ($16,000,000) pursuant to that Working Capital Loan Agreement dated of even date herewith, to provide FRV with a line of working capital to fund FRV's purchase of the fixtures, furnishings, and equipment necessary for operation of the Premises and to fund FRV's short-term operating costs with advances as needed.

Working Capital Loan Note - The note to be executed by FRV evidencing the Working Capital Loan.

2. PREMISES

2.1. NC and FRV acknowledge and agree that NC shall lease to FRV all Phases, as, when and if such Phases are completed by NC, and FRV shall lease from NC such Phases. NC and FRV acknowledge that the Premises, if fully completed by NC, are intended to include all of the Improvements as more fully depicted in the Site Plan attached hereto as Exhibit C (as such Exhibit may be amended from time to time), as each Phase is completed and annexed hereto. FRV expressly acknowledges and agrees that NC has no obligation to complete construction of the Retirement Community or to construct the Retirement Community in accordance with the Site Plan.

3. USE AND OPERATION

3.1. The Premises shall be used as a facility for the continuing life care of Residents, including all residential, medical, recreational, commercial and other uses incidental thereto, and for no other purpose. Any use of the Premises by FRV or by any other person or entity which is not specifically shown on the Site Plan shall require NC's prior written consent.

3.2. FRV shall provide or shall cause to be provided all services required to be provided by FRV under Residence and Care Agreements, in the form that has been attached hereto as Exhibit B-3. All proposed material alterations to the Residence and Care Agreements must be approved in advance in writing by NC.

3.3. The proposed initial Entrance Deposits for Units are set forth on Exhibit D attached hereto. Any changes in the Entrance Deposits must be approved by NC.

3.4. FRV agrees to use its best efforts to cause Entrance Deposits charged to new residents of Units previously occupied under prior Residence and Care Agreements to be in an amount sufficient to refund in full the Entrance Deposit paid by the previous Resident of the Unit, plus the cost of marketing the Unit to a new resident. In addition to the above requirement, FRV shall use its best efforts to cause the schedule of the Entrance Deposits for all Units that become available for occupancy each year to be increased annually by at least fifty percent (50%) of the increase in the Consumer Price Index (All Items) for the Boston, Massachusetts Metropolitan Area for the previous calendar year, unless an Entrance Deposit schedule with smaller increases is approved in writing by NC.

4. TERM

4.1. The rights and obligations of the parties shall be effective as of the date of this Lease; provided, however, that FRV's possessory interest in the Premises shall not commence until the Initial Commencement Date.

4.1.1. The Commencement Date for each Phase shall be the date set forth in Amendment One to this Lease for said Phase. The Lease Term for all Phases shall be coterminous, and shall terminate on the twenty (20) year anniversary date from the Initial Commencement Date.

4.1.2. FRV shall have the option to extend the Lease Term for three (3) additional ten (10) year terms by giving written notice to NC of FRV's election to extend the Lease Term, which notice must be given during the Option Notice Period.

5. RENT OBLIGATION

5.1. As of the Initial Commencement Date, FRV hereby agrees to pay to NC as Rent for the Retirement Community the sums set forth in Exhibit E attached hereto. Such Rent shall be payable in advance on the first day of each month during the Lease Term and shall not be reduced or abated except in accordance with the terms of Article 18 of this Lease. FRV covenants, without any previous demand therefor and without set-off, counterclaim, or deduction, to pay the Rent at the times and in the manner provided. The parties agree upon commencement of the Initial Move-In Period for each Phase, to execute Amendment One to this Lease for such Phase, setting forth the Rent during the Initial Move-In Period and, upon Completion of the Initial Move-In Period, to execute Amendment Two to this Lease for such Phase, confirming the aggregate Rent for such Phase.

5.2. NC and FRV acknowledge and agree that this Lease is intended to be absolutely "net" to NC, except as expressly provided otherwise in this Lease. Therefore, FRV agrees to pay to NC promptly upon demand all sums payable by or assessed against NC as a result of NC's entry into this Lease or as a result of NC's ownership of the Premises except to the extent that NC is expressly liable for such cost or expense pursuant to the terms of this Lease.

6. TAXES

6.1. For the purpose of this Lease, "Tax Period" shall mean the fiscal year of each jurisdiction levying taxes on the Premises and "Applicable Taxes" shall mean ad valorem real and personal property taxes assessed and levied against the Premises and any personal property located on the Premises as of the tax status day next preceding each of the said fiscal years.

6.2. FRV shall, as Additional Rent, bear the expense of and remit to the collecting authority Applicable Taxes becoming due and payable during the Lease Term irrespective of any law or regulation which may impose such Applicable Taxes on NC, and additionally, Applicable Taxes for the Tax Periods in which the Lease Term begins or terminates in the proportion that the number of days the Lease Term exists within each of such Tax Periods bears to the total number of days in such Tax Period.

6.3. Special assessments which become due in full or any part thereof and all installments of special assessments which become due during the Lease Term (whether or not such assessments or the first of such installments become due prior to the Initial Commencement Date) shall be borne by FRV as Additional Rent and shall be remitted by FRV either (i) to the appropriate collecting authority, or (ii) to NC, if not payable by FRV to the collecting authority. For purposes of this Subsection, payment in installments over the longest possible term will be deemed to have been elected in any instance where a determinable option to pay existed or may exist, even though an assessment may have been or may hereafter be paid in full, and FRV shall bear the expense of only such installments as would have become due, payable and delinquent during the Lease Term had the installment option been elected.

6.4. FRV shall remit or cause to be remitted all personal property taxes on FRV's personal property located upon the Premises.

6.5. FRV shall not have the right to contest the amount or validity, in whole or in part, of Applicable Taxes or special assessments, or to withhold any portion of the Applicable Taxes beyond the date on which such Applicable Taxes are due, unless FRV shall have obtained the prior written consent of NC thereto. If NC elects to contest the amount or validity, in whole or in part, of the Applicable Taxes or special assessments, FRV shall cooperate fully with NC in such contest.

7. INSURANCE AND USE FEES

7.1. FRV shall maintain comprehensive public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Premises and the streets and alleys adjoining the Premises, affording protection of at least $3,000,000 single limit per occurrence of loss or damage, subject to such deductibles as NC may permit. If during the Lease Term changed conditions or other pertinent factors, in the reasonable judgment of NC, should render inadequate the insurance limits referred to above, FRV shall furnish on

demand such additional coverage as may be reasonably required by NC. All such insurance shall be:

(i) primary and noncontributory to any other insurance maintained by NC, and

(ii) effected at FRV's expense under valid and enforceable policies issued by insurers of recognized responsibility which are qualified to do business in Michigan, and which have a rating of A or better and a financial size rating of X or larger from Best's Key Rating Guide and Supplemental Service, Property/Casualty (or comparable insurance rating service) and are acceptable to NC.

7.2. All policies shall name FRV as insured and NC as additional insureds and shall, to the extent obtainable, contain an agreement by the insurer that such policies shall not be canceled or substantially modified without at least thirty (30) days' prior written notice to NC. Certificates of insurance evidencing coverage of such policies shall be delivered by FRV to NC prior to the Initial Commencement Date, and similar replacement certificates shall be delivered by FRV to NC at least fifteen (15) days prior to the expiration dates of expiring policies. If FRV does not provide such evidence to NC of valid liability insurance coverage, then NC, at its option, may provide said coverage at any time and without notice to FRV. The cost thereof will be charged to FRV as Additional Rent and shall be payable upon demand.

7.3. FRV shall obtain and maintain throughout the Lease Term fire and special form insurance covering the Improvements which have become subject to this Lease in an amount not less than 100% of the then replacement cost of such Improvements on the Premises, being the cost of replacing the Improvements, subject to such deductibles as NC shall permit, in NC's reasonable discretion from time to time.

7.4. All such fire and special form insurance shall be effected at FRV's expense under valid and enforceable polices issued by insurers approved by NC. Such policies shall name NC or NC's designee as sole loss payee as trustee for the proceeds and shall insure NC and FRV as their respective interests may appear. Each policy or certificate shall, to the extent obtainable, contain an agreement by the insurer that such policies shall not be canceled or substantially modified without at least thirty (30) days' prior notice to NC. Memoranda of such policies shall be delivered by FRV to NC prior to the Initial Commencement Date, and similar replacement policies shall be delivered by FRV to NC and at least fifteen (15) days prior to the expiration dates of expiring policies. If FRV does not provide such evidence to NC of valid liability insurance coverage, then NC, at its option, may provide said coverage at any time and without notice to FRV. The cost thereof will be charged to FRV as Additional Rent and shall be payable upon demand.

7.5. FRV, at its sole cost and expense, shall carry such additional or other insurance as customarily is maintained by operators of similar property, or as reasonably may be required by NC from time to time for its protection against any loss, hazard, or liability to which NC

may be exposed. In addition, NC shall be named as an insured on any excess or umbrella insurance policies maintained by FRV.

7.6. FRV covenants that it will not do nor permit to be done, nor keep nor permit to be kept upon the Premises, anything which will contravene the policy or policies of insurance against loss by fire or other causes. FRV covenants that under no circumstances will it keep or permit to be kept, do or permit to be done in or about the Premises, anything of a character so hazardous as to render it difficult, impracticable or impossible to secure insurance in companies acceptable to NC, and further, immediately upon notice, to remove from the Premises and/or to desist from any practice deemed by the insurance companies or the Association of Fire Underwriters as so affecting the insurance risk.

7.7. NC and FRV hereby release and relieve the other and waive their respective rights of recovery and subrogation against the other for loss or damage arising out of or incident to any insured casualty which occurs on or about the Premises, whether due to the negligence of either party, their servants, agents, and employees.

8. UTILITIES; PERMITS

8.1. FRV agrees to pay or cause to be paid all charges and taxes incurred by FRV or others claiming under or through FRV for or on account of water, sewer, gas, electricity, light, heat and power and for telephone and other communication services, including protective devices, and all other public or private utility services which may be used, rendered or supplied upon, to or in connection with the Premises or any part thereof at any time during the Lease Term.

8.2. NC shall make application for and obtain the necessary permits and licenses for construction and development of the Property. Upon annexation of a Phase to this Lease, FRV agrees to thereafter make application for and obtain all licenses and permits necessary for the use and operation of the Premises as a Retirement Community, and NC agrees to execute and deliver to FRV such applications as are necessary and are requested by FRV to obtain such licenses and permits, provided NC is not obligated to incur any cost, expense or liability in connection therewith.

9. MAINTENANCE; ENVIRONMENTAL MATTERS; COOPERATION

9.1. FRV agrees to keep and use the Premises in a safe, clean, orderly and sanitary manner. FRV shall provide security services for the Premises. FRV will keep all sidewalks, driveways and parking areas included in the Premises and subject to the Lease free of ice, snow and debris.

9.1.1. FRV shall, during the Lease Term, keep the interior and exterior of the Premises, including those Improvements which are subject to the Lease, and appurtenances (including plumbing, heating, electrical, elevator, sprinkler and air conditioning systems

thereof) in good order and condition and will make all necessary repairs and replacements thereto, including repairs to any damage caused by normal wear and tear, or by any waste, misuse or neglect of said Premises, its apparatus or appurtenances by FRV, its agents, servants or employees or by any Resident or any invitee of any Resident, at FRV's own expense. FRV is obligated to prepare, for NC's written approval, a Capital Budget and an Operating Budget for the renovation and refurbishment of the Improvements on a regular basis. Such plan shall be based on the anticipated useful life of such Improvements. After the Capital Budget and Operating Budget are approved in writing by NC, FRV shall be obligated to comply with such budgets and to cause such renovation and refurbishment to be done, unless NC consents in writing to a deviation from such plan, which consent may be refused in NC's sole discretion.

9.1.2. All such replacements shall be and remain the Property of NC throughout the term of this Lease, and upon expiration of this Lease. FRV agrees to execute and deliver to NC such documents as NC may reasonably request to confirm NC's ownership of such replacements.

9.1.3. FRV will, at the expiration of the Lease Term or at the sooner termination thereof by forfeiture or otherwise, deliver up the Premises in the same good order and condition as they were at the beginning of the tenancy, reasonable wear and tear excepted. FRV shall be charged with the protection of its own fixtures and personal property, and in no event shall NC be liable for any damage to such property by reason of fire, other casualty or the elements, leakage of water or steam or the acts or neglect of NC or any other person.

9.2. FRV shall neither take any action nor utilize the Premises in such a manner which would contaminate the Premises or otherwise present the opportunity for contamination of the Premises with Hazardous Materials or regulated substances as defined under Environmental Requirements or other federal and state environmental protection statutes and regulations. Should any Hazardous Materials or regulated substance be used on the Premises, it shall be handled in accordance with all regulations and manufacturers' requirements. Furthermore, FRV shall indemnify, defend, and hold harmless NC from claims, damages or other costs, including reasonable attorneys fees, incurred should contamination or other environmental claim arise from FRV's use and operation of the Premises hereunder.

9.3. FRV shall use its reasonable efforts fully to cooperate with NC in the development of each of the Phases.

9.4. Notwithstanding anything to the contrary contained herein, FRV shall be responsible for: (i) all repairs and replacements (whether or not such would, in accordance with generally acceptable accounting principles, be deemed to be "capital" in nature) to the roofs, roads and parking areas in the Premises, and to the plumbing, heating, electrical, elevator, sprinkler and air conditioning systems in the Premises; and (ii) all improvements or additions

to the Property and Improvements required to be made by any laws, rules, regulations, orders or other governmental requirements, now or hereafter in effect.

10. ALTERATIONS; COMPLIANCE WITH LAWS

10.1. NC covenants that, as of the Commencement Date for each Phase, the Phase to be leased to FRV as part of the Premises shall be in material compliance with all applicable federal, state and local laws, ordinances, and regulations, as well as the requirements of the Association of Fire Underwriters, or similar governing insurance body then in effect. FRV acknowledges and agrees that FRV's sole remedy for a failure by NC to comply with the terms of this Section 10.1 shall be to seek specific performance and/or to pursue actual damages incurred by FRV in performing NC's obligations under this Section 10.1.

10.2. FRV covenants that it will not make any alterations, refurbishments, renovations, or changes of any kind to the Premises, including any change required to comply with Laws (as hereinafter defined), without first securing the written consent of NC, after submission of the plans therefor, such consent not to be unreasonably withheld. FRV will, in making any such alterations, as well as in its use of the Premises, fully comply with all federal, state and local laws, ordinances, and regulations, as well as the requirements of the Association of Fire Underwriters, or similar governing insurance body (collectively, the "Laws"), all at FRV's expense.

10.3. FRV covenants promptly to comply with and do all things required by any notice served upon it or upon NC in relation to the Premises or any part thereof, from any applicable government or governmental agency, if the same shall be caused by FRV's use or occupancy of the Premises, or any alteration, addition or change to the Premises performed by FRV or by any change or addition to any Laws.

10.4 All alterations, changes, and improvements made by FRV, whether at FRV's behest or for the compliance with local, state, and U.S. laws or regulations, shall be made at FRV's expense.

10.5. FRV covenants that no liens, including mechanic's liens, shall attach to the Premises by virtue of any alteration, refurbishment, renovation or change made by FRV, and that if any such lien is filed FRV will cause the same to be removed within thirty (30) days after such filing and shall indemnify and hold harmless NC from any damages resulting from such liens.

11. SIGNS AND APPEARANCE

FRV shall not place or permit any signs in or about the Premises without the written permission of NC, such consent not to be unreasonably withheld. FRV agrees that it will do nothing to change the uniform architecture, paint or appearance of the Improvements, including but not

limited to the paint, covering of windows, or decoration of the Improvements, without the written consent of NC, such consent not to be unreasonably withheld.

12. SUBLETTING OR ASSIGNMENT

FRV covenants that FRV's interest in the Premises, or any part thereof, shall not be leased or sublet to any person, or a license, operating or concession arrangement granted, without the prior written consent of NC. FRV further covenants that this Lease shall not be assigned to any person or entity without the prior written consent of NC. Any lawful levy or sale on execution or other legal process, and also any assignment or sale in bankruptcy, or insolvency, or under any compulsory procedure, or the appointment of a Receiver by a State or Federal court, shall be classified as an assignment within the meaning of this Lease. The decision to allow FRV to sublet or to assign this Lease shall be in NC's sole discretion. If NC consents in writing to a subletting or an assignment of the Lease, FRV hereunder shall remain liable for the performance of all the covenants and conditions of this Lease. Notwithstanding the provisions of this Article 12, FRV need not obtain NC's consent for use of the Premises by its employees, agents, and contractors or for entering into Residence and Care Agreements with qualified Residents of the Retirement Community. NC shall be entitled to review and approve the terms of all subleases or licenses for any sublease or license of a portion of the Premises to retail or medical establishments entered into by FRV, which approval will not be unreasonably withheld. NC expressly acknowledges and agrees that such retail and medical subleases and licenses are often entered into to provide necessary services to the Retirement Community, and are not always intended to create economic benefit for FRV or to the Retirement Community.

13. INDEMNITY

13.1. FRV shall and will save, hold and keep harmless and indemnify NC from and against any and all claims for damages whatsoever, and the costs of defending against the same, of any kind or nature, including personal injuries, arising in any manner or under any circumstances through the exercise by FRV of any right granted or conferred hereby, or the performance or non-performance of any of its obligations hereunder, or any other act or omission of FRV, its employees, residents, or invitees, whether such damage, including personal injury, be sustained by NC or its officers, agents, employees, residents, or invitees by residents of the Premises, or by other persons or corporations which seek to hold NC liable.

13.2. NC shall and will save, hold and keep harmless and indemnify FRV from and against any and all claims for damages whatsoever, and the costs of defending against the same, of any kind or nature, including personal injuries arising out of the negligent or faulty construction of the Improvements and occurring prior to the time that the Improvements become subject to the Lease, whether such damage, including personal injury, be sustained by FRV or its officers, agents, employees, residents, or invitees by residents of the Premises, or by other persons or corporations who seek to hold FRV liable.

14. QUIET ENJOYMENT; SUBORDINATION TO MORTGAGE

14.1. NC covenants that FRV shall quietly enjoy possession of the Premises during the Lease Term, so long as FRV shall not be in default hereunder.

14.2. NC agrees that all Residence and Care Agreements entered into with Residents of the Premises shall be honored by NC, even in the event of termination of this Lease, and that any holder of any security interest in the Premises claiming under NC will not disturb the possessory rights of such Residents under Residence and Care Agreements so long as such Residents are not in default thereunder. NC's obligation of non-disturbance under this Subsection 14.2. in event of any termination of this Lease for any reason is conditioned upon all rent and other fees and assessments with respect to each Unit subject to such a non-disturbance agreement continuing to be paid by the Resident of such Unit, pursuant to the terms of such Resident's Residence and Care Agreement.

14.3. FRV and NC hereby agree that in event of any termination of this Lease, FRV shall, at the election of NC, assign over to NC or NC's designee, absolutely and free of any claim or right of FRV, all of FRV's rights and privileges under each of the Residence and Care Agreements then in existence with respect to any and all Units in the Premises, and, to the extent required under the Community Loan Agreement, all of FRV's rights and privileges under the Community Loan. NC or NC's designee (as the case may be) will assume all of the obligations of FRV under each of the assigned Residence and Care Agreements and the Community Loan arising subsequent to the date of such assignment.

14.4. Following an Event of Default, FRV shall assign to NC all of FRV's rights under any subleases, licenses, contracts and operating agreements with respect to the Premises requested by NC to be assigned to NC, subject to assumption by NC of all obligations of FRV under each agreement so assigned, arising subsequent to the date of such assignment.

14.5. FRV agrees that this Lease is and shall be subordinate to all mortgages and deeds of trust that are now, or may hereafter be, placed upon the Premises and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof, provided, however, FRV shall have entered into a non-disturbance agreement with NC's lender, which non-disturbance agreement shall provide that in the event of the enforcement by the trustee, mortgagee or beneficiary under any such lien documents of the remedies provided for by law or by such lien documents, any entity succeeding to the interest of NC as a result of such enforcement will not terminate this Lease nor disturb FRV in the possession and use of the Premises pursuant to this Lease and FRV's rights hereunder (except as provided for in this Lease or on such other terms as may be agreed upon between FRV and NC's lender). FRV also agrees that any such trustee, mortgagee or beneficiary may elect to have this Lease constitute a prior lien to its mortgage or deed of trust, and in the event of such election and upon notification by such trustee, mortgagee or beneficiary to FRV to that effect, this Lease shall be deemed prior in lien to such mortgage or deed of trust, whether this Lease is dated prior to or subsequent to the date of said mortgage or deed of

trust. FRV agrees that upon the request of NC, or any mortgagee or beneficiary, FRV shall execute whatever instruments may be required to carry out the intent of this Section.

14.6. In the event any proceedings are brought for the foreclosure of, or in the event of the conveyance by deed in lieu of foreclosure of, or in the event of exercise of the power of sale under, any mortgage or deed of trust made by NC covering the Premises, FRV hereby attorns to, and covenants and agrees to execute instrument in writing reasonably satisfactory to the new owner, whereby FRV attorns to such successor in interest and recognizes such successor as NC under this Lease.

15. INSPECTION OF PREMISES

FRV agrees that NC and any agents designated by it shall have the right to inspect the Premises at all reasonable times during business hours, or at any time in case of emergency provided, however, that NC's right to inspect occupied Independent Living Units, Assisted Living Units and Nursing Units shall be restricted in accordance with the terms of the Residence and Care Agreement of Residents occupying such Units. NC shall give FRV reasonable notice of any inspection; provided, however, that in the case of emergency, NC need not give such notice.

16. RESTORATION

16.1. In the event the Premises are damaged or destroyed by fire, storm, the elements, act of God, unavoidable accident, the public enemy or other insured casualty, but not to such an extent in NC's judgment as to render up to fifty percent (50%) of the gross square footage of any Building unavailable, then FRV shall restore such Building as speedily as possible, and there shall be no abatement of Rent. For purposes of such restoration, any and all insurance proceeds to be obtained by FRV in accordance with Article 7 of this Lease payable on account of such loss shall be made available to FRV to cover the cost of such restoration. Any insurance deductible payment shall be paid by FRV. Such restoration shall provide substantially equivalent facilities to those damaged or destroyed, to the extent of available insurance proceeds.

16.2. In the event the Premises are damaged or destroyed by fire, storm, the elements, act of God, unavoidable accident, the public enemy or other insured casualty, to such an extent in NC's judgment as to render more than fifty percent (50%) of the gross square footage of any Building unavailable, then NC shall restore such Building as speedily as possible, and there shall be no abatement of Rent. For purposes of such restoration, any and all insurance proceeds to be obtained by FRV in accordance with Article 7 of this Lease payable on account of such loss shall be made available to NC or NC's designee to cover the cost of such restoration. Any insurance deductible payment and payment of all costs of restoration in excess of such insurance proceeds shall be paid by FRV. Such restoration shall provide substantially equivalent facilities to those damaged or destroyed, to the extent of available insurance proceeds.

16.3. If FRV fails to obtain and timely pay for casualty insurance premiums as provided in Article 7 of this Lease, then, notwithstanding the terms set forth in Sections 16.1 and 16.2 hereinabove, FRV, at FRV's own expense, shall be responsible for the restoration of the Premises as speedily as possible, and there shall be no abatement of Rent.

16.4. Prior to making any restoration pursuant to the terms of this Article, FRV must obtain the consent of NC to the plans and specifications for such restoration, such consent not to be unreasonably withheld.

17. CONDEMNATION

17.1. If the whole or any part of the Premises shall be taken under the power of eminent domain, or shall be sold by NC under threat of condemnation proceedings, then this Lease shall terminate as to the part so taken or sold on the day when FRV is required to yield possession thereof. NC shall make such repairs and alterations as may be necessary in order to restore the part not taken or sold to useful condition but in such event the Rent shall not be reduced or abated. Such restoration shall provide substantially equivalent facilities, but only to the extent of proceeds received or anticipated to be received by NC as a result of such taking or sale.

17.2. If the amount of the Premises so taken or sold is such as to impair substantially the future usefulness of the Premises as a Retirement Community, as agreed in writing by both NC and FRV, then this Lease shall terminate as of the date when FRV is required to yield possession.

17.3. NC shall have the sole right to bring a claim or receive compensation for any such taking or sale of the fee and the leasehold, or any part thereof. FRV shall have the right to bring a claim or receive compensation for relocation of its operations, for the taking of the fixtures, furnishings, and equipment owned by FRV, provided that such award does not diminish any award receivable by NC as a result of such taking. NC shall notify FRV within ten (10) days of receipt of notice of the taking or condemnation.

18. DEFAULT BY FRV

18.1. The following events shall be deemed an "Event of Default":

(i) appointment of a receiver or trustee for FRV in any court, which appointment is not vacated within thirty (30) days;

(ii) if FRV is adjudicated bankrupt or insolvent or makes an assignment for the benefit of creditors;

(iii) any voluntary or involuntary petition shall be filed by or against FRV under any section or chapter of the United States Bankruptcy Code or any similar federal

or state statute, and in the event of an involuntary filing against FRV, such filing is not vacated within thirty (30) days;

(iv) the failure of FRV to pay the Rent reserved hereunder within ten (10) days of the due date thereof;

(v) FRV fails to comply with any of the requirements of Article 7 relating to its obligation to maintain insurance; or

(vi) violation of any of the other covenants, terms or conditions of this Lease by FRV, which violation shall remain uncured for a period of fifteen (15) days after notice thereof in writing.

18.2. If an Event of Default shall occur, NC may, at its option, but subject to the requirement set forth in Section 14.2 hereinabove that NC honor the rights of Residents of Units in the Premises, under Residence and Care Agreements:

(i) terminate this Lease, in which event NC shall be entitled to the benefit, without further notice (all statutory notice requirements being hereby expressly waived), of all the provisions of law for summary possession of the Premises now in force or which may hereafter be enacted; or

(ii) re-enter the Premises and operate the same to the exclusion of FRV, for the account of FRV, in which event NC may carry out, amend, terminate or modify any and all contracts and agreements previously entered into by FRV with respect to the Premises including the Residence and Care Agreements and the Community Loan (so long as the rights of Residents under Residence and Care Agreements are not impaired thereby), make all management decisions with respect to the Premises, collect income, incur expenses, and otherwise operate the Premises, all for the account of FRV, until such time as all prior defaults under the Lease have been cured and the Premises is operating on a sound financial basis, upon which time NC shall, unless NC has previously terminated the Lease on account of default, return the Premises to FRV, accounting for all income received and expenses incurred; or

(iii) set off against sums due and owing by NC to FRV under the Community Loan any sums due and payable by FRV to NC under this Lease, to the extent such sums are not received by NC when due; or

(iv) exercise any other remedy available to NC at law or in equity.

18.3. NC's rights under this Article 18 to enter upon and operate the Premises as a Retirement Community are subject to all laws and regulations governing continuing care providers in the State of Michigan. In the event that NC declares an Event of Default and re-enters the Premises, NC may grant or assign FRV's rights and obligations under this

Lease, the Residence and Care Agreements and the Community Loan to Erickson Retirement Communities, LLC or to another registered continuing care provider, or may retain such rights to itself.

18.4 FRV covenants and agrees to cooperate with NC with respect to any threatened or attempted appointment of a receiver for the Retirement Community by the FRV or by any other governmental or quasi-governmental entity exercising regulatory or oversight control over continuing care retirement communities in Michigan.

18.5 In the event of any Event of Default by FRV, the parties agree that NC, in its sole judgment, may determine what use to make of any portion of the Property which is not then annexed into this Lease by the terms of an Amendment One, such use to include, without limitation, another facility substantially the same as and in competition with, the Retirement Community.

19. FRV HOLDING OVER

If FRV shall not immediately surrender possession of the Premises at the expiration of the Lease Term or the sooner termination of this Lease, FRV shall become a tenant from month to month, provided the Rent shall be paid to and accepted by NC, in advance, at a rate of one hundred and fifty percent (150%) of the Rent payable just prior to the termination of this Lease; but unless and until NC shall accept such Rent from FRV, NC shall continue to be entitled to re-take possession of the Premises without any prior notice whatever to FRV. If FRV shall fail to surrender possession of the Premises immediately upon the expiration of the Lease Term or the sooner termination of the Lease, FRV hereby agrees that all of the obligations of FRV and all rights of NC applicable during the Lease Term shall be equally applicable during such period of subsequent occupancy, regardless of the type of tenancy created.

20. WAIVER

Any waiver of any covenant or condition of this Lease shall be in writing signed by the party waiving the right, shall extend to the particular case only, and only in the manner specified, and shall not be construed as applying to or in any way waiving any further or other rights hereunder. The exercise of any of the options aforesaid shall not be construed as a waiver of NC's right to recover actual damages for any breach in an action at law, or to restrain any breach or threatened breach in equity or otherwise.

21. SECURITY FOR FRV'S PERFORMANCE

21.1. Within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year during the Lease Term, and within ninety (90) days after the end of each fiscal year during the Lease Term, including any renewal terms, FRV will submit to NC statements of income and expenses in reasonable detail, reflecting operations of the Retirement Community and the Premises for the respective quarterly and annual periods,

and, with the fiscal year end statement, a balance sheet reflecting FRV's assets, liabilities and net worth, all in accordance with sound accounting principles, consistently applied. FRV shall, at its own expense, contract with and pay for an independent certified public accountant(s) to prepare such financial statements.

21.2. ~~FRV shall, with~~ respect to each of FRV's operating calendar quarters, establish, maintain and enforce collection of monthly fees and charges payable by all residents of the Retirement Community sufficient to cover all operating expenses of the Retirement Community, including but not limited to meals, medical care, taxes, insurance, utilities, normal and routine maintenance, staffing and administrative costs, Rents payable hereunder, ~~and reasonable reserves~~. FRV will submit to NC annually, not later than sixty (60) days prior to the beginning of each of FRV's fiscal years, a budget of anticipated expenses based upon the previous year's operations, and income projected to cover such expenses, (including fees payable to FRV or its successors and assigns under the Residence and Care Agreements) plus appropriate contingency factors and reserves for that fiscal year (provided that this obligation shall not apply during the first year of operation of the Retirement Community), ~~which shall be subject to the review and approval of NC.~~ In addition, FRV shall supply to NC, as promptly as reasonably possible, such other information as NC may reasonably request, from time to time, including, without limitations, marketing, sales and operating reports, additional backup or breakdowns of operating expenses, and/or information of any threatened or pending litigation.

21.3. Entrance Deposits charged by FRV to new residents of units previously occupied under prior Residence and Care Agreements will be subject to the following requirements:

21.3.1. The Entrance Deposit must be sufficient to pay the return Entrance Deposit owing by FRV to the previous Resident of the Unit, plus the cost of marketing the Unit for a new Resident, plus an amount which, when invested, will be projected to yield, over the anticipated life of the new Residence and Care Agreement, an amount sufficient to pay the increased Rent attributable to that Unit. In addition to the above requirement, the amount of the Entrance Deposit for such Unit(s) shall be an amount approved by FRV's Board, but in no event less than the amount of the previous Resident's Entrance Deposit plus the increase in the consumer price index for the period commencing with the date of settlement of the previous Resident's Residence and Care Agreement to the date of the Resident's termination of the Residence and Care Agreement; provided, however, that the new Entrance Deposit may be a lesser amount only if said lesser Deposit is approved in writing by NC prior to the execution of the Residence and Care Agreement.

21.3.2. One-half of the increase in Entrance Deposits under new Residence and Care Agreements over the previous returnable Entrance Deposits will be placed in a Restricted Account as a special fund (as further described in Subsection 21.3.4) below), which Restricted Account shall be used solely for the purpose of providing funds with which to fund the purchase price in the event FRV exercises its Purchase

Option set forth in Section 27, or to pay NC the increased Rent attributable to reoccupied Units during the term of new Residence and Care Agreements.

21.3.3. The balance of such increase in the Entrance Deposits, less marketing expenses, shall be placed in an account designated as a Capital Reserve Fund to be maintained for capital improvements and replacement of capital items. FRV shall establish and maintain a Capital Reserve Fund, and the Capital Reserve Fund may not under any circumstances be used for normal repair and maintenance or other operating expenses, or for any capital improvement or replacement without NC's prior written approval.

21.3.4. FRV shall establish a Restricted Account, on terms reasonably subject to NC's approval, as a vehicle providing for investment of funds. So long as this Lease continues in effect, FRV shall be entitled to receive all of the income therefrom, and such amounts of principal as may be payable to cover the increased Rent for re-occupied Units.

21.3.5. As collateral security for FRV's obligations hereunder, FRV herewith assigns and sets over to NC all of its right, title and interest in and to the Restricted Account and Capital Reserve Fund and grants to NC a security interest therein. FRV will, on request, obtain or execute and cause to be filed in appropriate record offices any financing statements, continuation statements or other documents as may be necessary or appropriate to perfect such security interest. Any exercise by NC of its rights with respect to such collateral security shall be subject to the condition that NC may not take any action with respect thereto that would unreasonably adversely affect FRV's tax exempt status under applicable U.S. income tax laws and regulations. Should FRV default hereunder and NC acquire FRV's right, title interest in and to the Restricted Account and Capital Reserve Fund, NC shall hold and use such funds for the funding of the operating and capital needs of the Retirement Community. FRV agrees that NC, as security for any indebtedness of NC, may assign its interest in such assignments, and that any such assignee shall not be bound by the restrictions placed on NC with respect to the Restricted Account and the Capital Reserve Fund.

21.4. As collateral security for FRV's obligations hereunder, FRV assigns and sets over to NC all of FRV's right, title and interest in and to all Residence and Care Agreements entered into with respect to Units in the Premises, (including, but not limited to, all payments due to FRV thereunder), and grants to NC a security interest therein. FRV will, on request, execute and cause to be filed in appropriate record offices any financing statements, continuation statements or other documents, including a collateral assignment, as may be necessary or appropriate to perfect NC's security interest in the Residence and Care Agreements. In event of default by FRV in any of its obligations under this Lease, NC shall have the right to exercise all rights of FRV under such Residence and Care Agreements, including, if applicable, the right to collect all payments due thereunder, to set fees and charges payable for all future periods, and to enter into such modifications, terminations or amendments

thereof as NC may deem appropriate (provided the rights of Residents to occupy the Units under their respective Residence and Care Agreements are not terminated) all without notice to or concurrence of FRV. In such event, FRV will give notice to each Resident subject to a Residence and Care Agreement assigned hereunder that NC has succeeded to FRV's rights thereunder. FRV agrees that NC, as security for any indebtedness of NC, may assign its interest in such assignments.

21.5. As additional security for all of FRV's obligations hereunder, and to the extent not prohibited by law, FRV assigns and sets over to NC all of FRV's right, title and interest in, to and under (i) all licenses, certificates of need, operating permits, franchises and other governmental authorizations and approvals now or hereafter existing with respect to the acquisition, construction, renovation, expansion, leasing, ownership and/or operation of the Retirement Community, including all certificates of need, licenses and other authorizations of any kind in connection with any nursing home or other health care facilities which are a part of the Retirement Community; (ii) any and all licenses issued by any governmental authority relating to the operation of food and beverage facilities and/or amenities; (iii) any and all third-party payment contracts under which payment may be made for services rendered at the Retirement Community, including, but not limited to, Certificate of Registration, Medicare and Medicaid provider agreements issued to FRV and the Retirement Community; and (iv) any and all personalty of FRV located on the Property and utilized in connection with the operation or maintenance of the Retirement Community; together with all additions to, modifications of and substitutions for any of the foregoing. FRV will, on request, execute and cause to be filed in appropriate record offices, any financing statements, continuation statements or other documents including a collateral assignment, as may be necessary or appropriate to perfect such security interest. FRV shall, upon request, execute a Collateral Assignment of Residence and Care Agreements and Assignment of Licenses to evidence these assignments. FRV agrees that NC, as security for any indebtedness of NC, may assign its interest in such documents.

21.6. FRV's accounts and books of record maintained by NC with respect to the operation of the Premises shall be subject to examination and audit by NC at any time during the Lease Term and any renewals hereof. In the Event of Default by FRV in furnishing any of the financial statements provided for in Article 21.1 of this Lease, all costs of such examination and/or audit shall be borne by FRV and shall be payable by FRV as Additional Rent due hereunder promptly upon submission by NC of any bill or bills therefor.

21.7. As NC's security hereunder may be impaired hereunder unless Entrance Deposits are collected in full, FRV agrees that it shall enforce collection of all sums due and owing to FRV under any promissory note given by a Resident in payment of his or her Entrance Deposit.

21.8. FRV acknowledges and agrees that in the event that this Lease terminates or expires prior to the satisfaction of the Community Loan that the provisions of Section 12(b) of the Community Loan Agreement dated as of the date hereof, as such document may hereafter

be amended or modified, shall control the disposition of FRV's interest in the Community Loan.

22. COMMON AREAS/ RESERVATIONS

NC hereby reserves the right and any easements as it deems necessary to enter onto and use the Common Areas for the following purposes:

(i) ingress and egress to and from areas adjacent to the Premises;

(ii) construction of future Phases;

(iii) parking, signage, and reciprocal easements;

(iv) utilities and stormwater management facilities;

(v) perform NC's rights or obligations under this Lease

(vi) grading; and

(vii) such other purposes as NC may reasonably deem necessary.

Upon the request of NC, FRV will execute any and all documents necessary to evidence such rights and easements as NC may request.

23. NOTICES

Any notice required or permitted by this Lease, to be given by either party to the other, may be either personally delivered or sent by certified mail, properly addressed and prepaid, to the addresses of the parties set forth on Exhibit F hereto, unless another address shall have been substituted for such address by notice in writing, the date of personal delivery being taken as the date of the giving of such notice

24. MISCELLANEOUS

24.1. FRV hereby warrants and represents to NC that FRV is a corporation, validly existing under the laws of the State of Maryland and that it has full power and authority to enter into this Lease and perform under the terms of this Lease. NC hereby warrants and represents to FRV that NC is a limited liability company, duly organized and existing and in good standing the laws of the State of Maryland, and that it has full power and authority to enter into this Lease and perform under the terms of this Lease.

24.2. This Lease constitutes the entire agreement between the parties in respect of the Premises, and there are no oral agreements between the parties in connection herewith.

24.3. This Lease shall be governed by the law of the State of Michigan and venue for all proceedings with respect to this Lease shall be in the State of Michigan.

24.4. In the event that any provision of this Lease is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remainder of the Lease which shall remain in full force and effect and shall be construed as though they had not contained the invalid or unenforceable provision.

24.5. The covenants herein shall be binding upon, and the rights hereunder shall inure to the benefit of the parties, their personal representatives, successors and assigns, except that FRV's rights shall inure only to those assigns for which FRV has obtained NC's prior written consent in accordance with Article 12 of this Lease.

24.6. The failure or delay by NC to exercise any of its rights or remedies under this Lease or at law or in equity shall not constitute a waiver of such rights and remedies. The remedies provided in this Lease are in addition to those remedies available to NC at law or in equity.

24.7. The provisions of this Lease shall not be construed to create a joint venture or partnership between NC and FRV.

24.8. In the event of a default by NC of its obligations under this Lease, FRV hereby waives any recourse to which FRV may be entitled, at law or in equity, against the members of NC.

24.9. FRV shall, within five (5) days of request therefor by NC, execute and deliver to NC or, at NC's request, to any prospective purchaser, assignee, or any lienholder, an instrument in recordable form certifying: (a) that this Lease is in full force and effect; (b) the dates through which the Rent, including any Additional Rent, and other charges arising hereunder have been paid; (c) the amount of any prepaid Rent or credit due to FRV hereunder (d) that FRV has accepted possession of the Premises; (e) as to whether, to the best knowledge, information, and belief of the signer of the certificate, NC or FRV is then in default hereunder and the nature of the default; (f) as to any other fact or condition reasonably requested by NC or such other addressee; and (g) that the statements contained in the certificate may be relied upon by NC or such other addressee.

24.10. NC and FRV agree that neither this Lease nor any memorandum thereof shall be recorded.

24.11. NC and FRV acknowledge and agree that, in the event that NC hereafter acquires FRV's interest in this Lease, this Lease, at NC's option, shall not be terminated due to merger and shall continue in full force and effect, and NC may at any time thereafter transfer or assign FRV's interest in this Lease to any qualified provider of continuing care services under the laws of the State of Michigan.

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24.12. The section headings are for reference purposes only and shall not be used in the interpretation of this Lease.

24.13. In the event that Landlord shall assign this Lease to a new landlord or in the event that a lienholder, for whom FRV has executed a subordination agreement pursuant to Section 14 of this Lease, shall foreclose on the Premises, FRV agrees to attorn to the new landlord or lienholder, as the case may be, and shall execute and deliver, upon request therefor, a written agreement of attornment confirming that FRV is and remains bound under the terms and provisions of this Lease.

25. LIMITATION ON LIABILITY OF MEMBERS.

The parties hereby agree and confirm that upon the occurrence of any default and/or Event of Default under any provision of this Agreement, if any judicial proceedings to enforce the obligations of either party is brought by any party, such proceedings shall be limited to the property and assets of the party. No judgment or suit shall be sought or obtained by any party against the members of the parties, or any officer, director or employee of a member or their assets. Nothing herein contained shall limit or impair the liability of a member of a party for any obligation arising independently of their status as a member of such party.

26. LANDLORD WORKING CAPITAL LOAN TO FRV

NC shall provide the Working Capital Loan to FRV on such terms as are acceptable to NC and FRV. The terms and conditions of the loan and disbursement of the advances shall be set forth in the Working Capital Loan Agreement of even date herewith by and between NC and FRV and the Working Capital Loan Note. FRV acknowledges that it has undertaken such studies and investigations as it has deemed appropriate to determine the feasibility on the Project, including the costs and expenses associated therewith, and that, although it has received certain projections from NC, FRV hereby expressly disclaims any reliance on such projections.

27. FRV'S OPTION TO BUY

FRV shall have a Purchase Option for the Premises upon the expiration of the Lease Term and again at the end of each ten (10) year extension of the Lease Term, if the same is exercised, upon the following terms and conditions:

27.1 During the Option Notice Period, FRV shall give NC written notice of its desire to exercise its Purchase Option to buy the Premises. The purchase agreement for the Premises shall be executed by the parties not less than forty-five (45) days prior to the expiration of the then current Lease Term.

27.2 The Closing of the Purchase Option shall occur on the date following the expiration of the respective Lease Term or, if such date shall be a Saturday, Sunday, or

legal holiday, the next business day following. NC and FRV agree that the conveyance of the Premises shall be "as is", and that Rent under this Lease shall continue to be due and payable until title to the Premises passes to FRV. FRV and NC agree to deliver such documents as are customarily delivered in similar transactions, including evidence of due execution and authorization of such documents. All costs of such conveyance, exclusive of NC's attorney's fees but inclusive of title insurance premiums and recordation and transfer taxes, shall be borne by FRV.

27.3 The purchase price, as determined in accordance with the provisions set forth below in this Article 27, shall be paid in currently available funds at Closing. The then balance of any current loans which have been made by FRV to NC shall be repaid at Closing or credited against the purchase price for the Premises. Adjustment of real estate taxes, metropolitan district charges, and other like charges shall be made to the Closing date.

27.4 This Purchase Option shall be void and of no further force and effect in the event FRV shall have defaulted under the terms of this Lease.

27.5 The parties agree and acknowledge that the purchase price to be paid by FRV at such time as FRV exercises its Purchase Option for the Premises shall be the Fair Market Value of the Premises. Because it is difficult to predict the future value of the Premises, the parties agree that the following methods will determine the Fair Market Value, and therefore, the purchase price, of the Premises for purposes of FRV's Purchase Option.

27.5.1. If during the Test Period, the average occupancy rate for the Independent Living Units on the Premises is 95% or more, then the Purchase Price shall be the aggregate amount of the products obtained by multiplying the Entrance Deposits of each Unit type, as listed in the approved Retirement Community marketing material as of the commencement of the respective Option Notice Period, times the total number of Units in the Premises of each Unit type.

27.5.2. If the average occupancy rate during the Test Period is less than 95%, then the Purchase Price of the Premises shall equal the Fair Market Value (defined in the following sentence) of the Premises. "Fair Market Value" of the Premises shall be determined by independent appraisal by a Member, Appraisal Institute ("MAI") qualified appraiser in New Jersey selected by NC from a list of not less than four such appraisers submitted by FRV. In the event NC refuses to select any of the appraisers submitted by FRV, within ten (10) days of such refusal, NC and FRV shall each select a MAI qualified appraiser in New Jersey ("MAI Appraiser"), and those two MAI Appraisers shall mutually select a third MAI Appraiser. The MAI appraiser(s) shall not use the Market Comparable approach but rather utilize only the Replacement Cost and the Income Capitalization approaches. The Income Capitalization approach valuation shall be based on the Rents generated by the Premises and the Replacement Cost

approach valuation shall be based on the cost of development and construction of comparable square footage of usable space of comparable quality of construction. The MAI appraiser(s) shall weigh the valuations of these two approaches in his or her professional opinion to determine the Fair Market Value. The MAI appraiser(s) shall also, to the extent practicable, disregard value attributable to new capital facilities constructed by FRV during the Lease Term but not capital replacements made by FRV as required under the terms of this Lease. The MAI appraiser(s) shall complete the appraisal and render a determination of the Fair Market Value not less than sixty (60) days prior to the expiration of the then current Lease Term. In the event the three MAI Appraisers are involved, the determination of Fair Market Value shall be that Fair Market Value as determined by the MAI Appraiser which is the middle of the three values.

27.5.3. NC and FRV agree that the determination of Fair Market Value shall specifically exclude any office or retail leases for space within the Premises that are for less than market terms. NC and FRV acknowledge and agree that such leases will be entered into as an amenity for the Residents, and do not adversely affect the Fair Market Value of the Premises.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have set forth their hands and seals below.

WITNESS:

NC: Novi Campus, LLC
By: Erickson Retirement Communities, LLC, Member

By: _____ (SEAL)
Andrew V. Aldi, Executive Vice President
and Chief Operating Officer

APPROVED AS TO LEGAL SUFFICIENCY _____

WITNESS:

FRV: Fox Run Village, Inc.

By: _____ (SEAL)
Bruce R. Grindrod, Jr.
President

APPROVED AS TO LEGAL SUFFICIENCY _____

TABLE OF EXHIBITS

Exhibit A:	Legal Description of the Property
Exhibit B:	Appendix of Forms:
B-1:	Amendment One to Lease
B-2:	Amendment Two to Lease
B-3:	Residence and Care Agreement
Exhibit C:	Site Plan
Exhibit D:	Fees and Deposits
Exhibit E:	Rent
Exhibit F:	Notices

FOX RUN VILLAGE RETIREMENT COMMUNITY
DEED OF MASTER LEASE AND USE AGREEMENT

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

EXHIBIT A

Legal Description

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3:

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

PARCEL 4:

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

ALSO DESCRIBED AS:

Part of the West ½ of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Commencing at the Southwest Corner of Section 1, Town 1 North, Range 8 East; thence along the West Line of Section 1, North 03°28'39" West 60.01 feet to the POINT OF BEGINNING; thence continuing along the West Line of Section 1, North 03°28'39" West 2590.40 feet to the West ¼ Corner of Section 1, Town 1 North, Range 8 East; thence along the West Line of Section 1 and along the boundary of "The Maples of Novi, Maple Hills", Oakland County Condominium Plat No. 627, North 02°28'35" West 649.69 feet; thence continuing along the boundary of "The Maples of Novi, Maple Hills" the following two (2) courses: one (1) North 87°21'41" East 682.69 feet and two (2) North 03°11'10" West 2.24 feet; thence along the south boundary of "Haverhill Farms", Oakland County Condominium Plat No. 912, North 87°19'27" East 693.69 feet; thence South 03°16'01" East 3236.69 feet to a point 70.00 feet North of the South Line of Section 1, thence along the North Line of Thirteen Mile Road the following five (5) courses: one (1) South 87°31'40" West 25.33 feet, two (2) South 02°28'20" East 15.00 feet, three (3) South 87°31'40" West 300.00 feet, four (4) North 02°28'20" West 5.00 feet, and five (5) South 87°31'40" West 1050.40 feet to the POINT OF BEGINNING. Contains 102.817 Acres.

FOX RUN VILLAGE RETIREMENT COMMUNITY
DEED OF MASTER LEASE AND USE AGREEMENT

EXHIBIT B-1

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EXHIBIT B-1
PHASE ____ - AMENDMENT ONE TO
DEED OF MASTER LEASE AND USE AGREEMENT

This Phase _____ - Amendment One to the Deed of Master Lease and Use Agreement (the "Lease") is made as of this ___ day of _____, by and between Novi Campus, LLC, a Maryland limited liability company ("NC") and Fox Run Village, Inc. ("FRV").

RECITALS

Pursuant to the Lease between NC and FRV, NC agreed to lease to FRV the Premises to be used and operated as a Retirement Community. The parties agreed that, upon the substantial completion of construction by punch-out of each Phase of development of the Retirement Community and subject to NC's right to complete the construction, the first amendment to the Lease for such Phase would be executed in order to annex to the Premises the Property and Improvements contained in the Phase and in order to commence the Initial Move-In Period for the Phase.

NC and FRV now desire to amend the Lease to annex to the Premises the Property and Improvements known as Phase _____. Unless otherwise stated, all terms of this Amendment shall have the same meanings as set forth in the Lease.

AGREEMENT

NOW THEREFORE, in consideration of the premises, and the rents reserved under the Lease, the parties agree that the Lease shall be amended as follows:

1. Article 2 PREMISES is amended by adding the following paragraph:

   Article 2. As of the Commencement Date (as hereinafter defined), the Premises shall include the Property, a legal description of which is attached and incorporated hereto as Exhibit A, and Improvements contained in Phase _____

   NC, for itself and for its agents, and contractors, reserves the right to enter the Premises to complete the work on the Premises and this lease of the Premises shall be subject to the right to enter and access the entrance road into the Retirement Community, to enter and access the interior Retirement Community roads, the utility easements, and the rights of way for the purposes of completing the work.

2. Article 4 TERM is amended by adding the following paragraph:

   The Commencement Date for Phase ____ is _____.

3. Exhibit E RENT OBLIGATION is amended by adding the following paragraph:

Except for the foregoing revisions and all other previously executed amendments to the Lease, NC and FRV hereby ratify and confirm all of the provisions of the Lease.

IN WITNESS WHEREOF, the parties have set forth their hands and seals below.

WITNESS:

Novi Campus, LLC
By: Erickson Retirement Communities, LLC, Member

_____

By:_____ (Seal)
Bernard M. Hirl
Executive Vice President

WITNESS:

Fox Run Village, Inc.

_____

By:_____ (Seal)
Bruce R. Grindrod, Jr.
President

FOX RUN VILLAGE RETIREMENT COMMUNITY
DEED OF MASTER LEASE AND USE AGREEMENT

EXHIBIT B-2
PHASE ____ - AMENDMENT TWO TO
DEED OF MASTER LEASE AND USE AGREEMENT

This Phase _____ - Amendment Two to the Deed of Master Lease and Use Agreement (the "Lease") is made as of this ___ day of _____, by and between Novi Campus, LLC, a Maryland limited liability company ("NC"), and Fox Run Village, Inc. ("FRV").

RECITALS

Pursuant to the Deed of Master Lease and Use Agreement between NC and FRV, NC agreed to lease to FRV the Premises to be used and operated as a Retirement Community. The parties agreed that, upon the completion of the Initial Move-In period for each Phase of development of the Retirement Community, the parties would execute the second amendment to the Lease for such Phase.

NC and FRV now desire to amend and modify the Lease to confirm the current Rents for Phase _____. Unless otherwise stated, all terms of this Amendment shall have the same meanings as set forth in the Lease.

AGREEMENT

NOW THEREFORE, in consideration of the premises, and the rents reserved under the Lease, the parties agree that the Lease shall be amended as follows:

1. Exhibit E RENT OBLIGATION is amended as follows:

Except for the foregoing revisions and all other previously executed amendments to the Lease, NC and FRV hereby ratify and confirm all of the provisions of the Lease.

IN WITNESS WHEREOF, the parties have set forth their hands and seals below.

WITNESS:

Novi Campus, LLC
By: Erickson Retirement Communities, LLC,
Member

_____

By:_____ (Seal)

WITNESS:

Fox Run Village, Inc.

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_____ By:_____ (Seal)

FOX RUN VILLAGE RETIREMENT COMMUNITY
DEED OF MASTER LEASE AND USE AGREEMENT

EXHIBIT B-3
RESIDENCE AND CARE AGREEMENT

FOX RUN VILLAGE
RESIDENCE AND CARE AGREEMENT

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FOX RUN VILLAGE
RESIDENCE AND CARE AGREEMENT

This Residence and Care Agreement (the "Agreement") is made and entered into the ____ day of _____, _____ by and between FOX RUN VILLAGE, INC. (referred to in this Agreement as "FOX RUN VILLAGE") and _____ (referred to in this Agreement as the "Resident(s)").

RECITALS

R.1 Fox Run Village Community (the "Community") is a life care retirement community located in Novi, Michigan offering various living accommodations and services to seniors, as described herein.

R.2 FOX RUN VILLAGE is a registered living care provider under the laws of the State of Michigan and is the owner and operator of the Community. FOX RUN VILLAGE desires to provide certain services listed in this Agreement to Resident and Resident desires to receive such services.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

DEFINITIONS

Whenever the following words or phrases appear in this Agreement beginning with a capital letter, these definitions shall apply:

Agreement: This document, including all exhibits, supplements, amendments, or addenda, as signed by FOX RUN VILLAGE, Resident and Guarantor, if any.

Ancillary Services: Those services specified in Section 5 of this Agreement made available by FOX RUN VILLAGE and/or provided by approved providers, the cost of which is not included in the Independent Living Monthly Service Package, the Assisted Living Monthly Service Package or the Nursing Care Monthly Service Package. The cost for Ancillary Services may be changed from time to time by FOX RUN VILLAGE as provided in Section 9.2 or by the outside providers.

Assisted Living Monthly Service Package: The current monthly rate for an Assisted Living Unit, based on the level of care provided for the Resident. Fees for Assisted Living are based on the

currently established rate for this service as determined by FOX RUN VILLAGE. Adjustments to the Assisted Living Fee shall be made in accordance with Section 8.3.

Assisted Living Unit: Room accommodations for a resident who is unable to perform normal functions necessary to live in an Independent Living Unit, but who needs a lesser degree of medical care, personal care and service than is provided in a Care Center Unit.

Nursing Care Monthly Service Package: A rate based on the type of Care Center Unit occupied and Entrance Deposit level for the Resident. Fees for care in the Care Center are determined by FOX RUN VILLAGE based on nursing personnel costs and other financial considerations. Adjustments to the Nursing Care Monthly Service Package shall be made in accordance with Section 8.3.

Care Center Unit: Room accommodations for a Resident who is unable to perform normal functions necessary to live in an Independent Living Unit or Assisted Living Unit and who needs the degree of medical care, personal care and service that is provided in a Care Center Unit.

Continuing Care Unit: An Independent Living Unit, Assisted Living Unit, or Care Center Unit (sometimes referred to as a Unit).

Community: The physical site and structures built or operated by FOX RUN VILLAGE as a retirement community in Novi, Michigan.

Covered Services: Those services specified in Section 4 of this Agreement made available by FOX RUN VILLAGE for the applicable Independent Living Monthly Service Package, Assisted Living Monthly Service Package or Nursing Care Monthly Service Package.

Departure Date: The date on which Resident or, in the event of Resident's death, Resident's personal representative or family vacates the Continuing Care Unit after providing FOX RUN VILLAGE with a signed Unit Release form and removing all possessions from such Continuing Care Unit. If the Continuing Care Unit is not released and vacated by Resident or the personal representative, the Departure Date shall be the date that FOX RUN VILLAGE removes all possessions from the Continuing Care Unit.

Double Occupant Fee: The fee payable in the event that Joint Residents occupy the same Continuing Care Unit.

Earned Portion of Entrance Deposit: That portion of the Resident's Entrance Deposit on account multiplied by the number of months of residency as of the date of notice of termination multiplied again by 1.5%.

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Entrance Deposit: The entrance fee required to be paid to FOX RUN VILLAGE on or before the Occupancy Date, as may be modified.

Executive Director: The chief administrative officer of the Community appointed as such by FOX RUN VILLAGE.

Extended Care Center: The portion of the Community housing both the Assisted Living Units and the Care Center Units for residents with higher healthcare and personal service needs.

Guarantor: Any person or persons who guarantee the obligations of Resident to pay the Independent Living Monthly Service Package, the Assisted Living Monthly Service Package, the Nursing Care Monthly Service Package, fees for Ancillary Services or any other fee payable by Resident under the terms of this Agreement.

Independent Living Monthly Service Package: The current monthly rate charged for Resident's Independent Living Unit. Fees for Independent Living are based on the currently established rate for this service as determined by FOX RUN VILLAGE. Adjustments to the Independent Living Fee shall be made in accordance with Section 8.3.

Independent Living Unit: A living accommodation at the Community for a Resident who is able to live independently within FOX RUN VILLAGE's guidelines.

Medical Director: A licensed physician officially designated by FOX RUN VILLAGE as the person responsible for the direction and control of medical services offered at the Community.

Non-Occupancy Credit: Resident may receive a Non-Occupancy Credit to reduce Resident's Independent Living Monthly Service Package or Assisted Living Monthly Service Package, as the case may be, when a Resident is or joint Residents are transferred temporarily to a different Continuing Care Unit. Resident may receive a Non-Occupancy Credit, upon request, in other circumstances in the sole discretion of the Executive Director. The current Non-Occupancy Credit is provided on the Ancillary Fee Schedule. Adjustments to and policies concerning the Non-Occupancy Credit are made by FOX RUN VILLAGE.

Notice: For the purposes of this Agreement, Notice shall be deemed to have been given to Resident when deposited in Resident's message box or personally delivered to Resident, and to FOX RUN VILLAGE when personally delivered to the office of the Executive Director at the Community. If the Resident has not yet taken possession of the Continuing Care Unit or has transferred off-site, notice to the Resident shall be given by first-class mail, postage pre-paid, to the Resident's last known address and such notice shall be deemed to be effective on the third day following such mailing.

Occupancy Date: The date on which the Resident is authorized by FOX RUN VILLAGE to take possession of a Continuing Care Unit. On this date, Resident shall be allowed access for belongings or to personally inhabit the Unit pursuant to this Agreement. Delivery of keys to Resident shall be deemed authorization to take possession.

Off-Site Facility: A facility for assisted living care, nursing care, or other health care services not located on the campus of the Community and not owned or operated by FOX RUN VILLAGE.

Resident: Each person designated by name in the first paragraph of this Agreement, who is a party to this Agreement.

Refund of Entrance Deposit Form: A form signed the Resident designating to whom the refund of the deposit shall be made upon termination of the Residence and Care Agreement.

Refurbishing Fee: The fee payable by a Resident who has occupied an Independent Living Unit or an Assisted Living Unit which covers the reasonable costs of cleaning and refurbishing the Unit upon the Resident's vacating the unit. Refurbishing shall include spackling, painting, housekeeping, carpet replacement or cleaning, and removing any customized improvements to the Unit. It is intended that the Unit shall be restored to its condition when it was originally occupied. Determination of the extent of refurbishment shall be established by the Executive Director.

Spending Plan: A plan set forth by the Executive Director of the Community in the event that Resident is financially unable to pay Resident's Monthly Service Packages.

Unearned Portion of Entrance Deposit: The remainder of the Resident's Entrance Deposit after the Earned Portion is subtracted from the Deposit on account at the time that notice of termination is given.

Section 1. DESCRIPTION OF COMMUNITY

The Community consists of Independent Living Units, Assisted Living Units, and Care Center Units (sometimes jointly referred to as "Continuing Care Units.")

1.1 Independent Living Units. The Community is planned to include 1497 independent living units with community buildings. The community buildings include one or more dining rooms, classrooms, cardrooms, lounges, and other common areas. The Community includes a bank, a beauty salon, a convenience store, guest rooms, a full-service outpatient Medical Center, and a pool.

1.2 Extended Care Center. The Extended Care Center refers to the Community's on-site health care neighborhood. The Extended Care Center houses both the Assisted Living Units and the Care Center Units. The Extended Care Center includes dining rooms, resident lounges, activity rooms and bathing rooms.

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1.2.1 Assisted Living Units. The Extended Care Center will include a total of approximately 192 private Assisted Living Units. It is expected that the aggregate number of Assisted Living Units planned for the Community will adequately serve the needs of Community residents. However, in the unusual circumstance that the Assisted Living Units are fully occupied, the Medical Director, or his or her designee, first will arrange for Ancillary Services to be offered in Resident's Independent Living Unit. If necessary, the Medical Director will assist in arranging for a transfer to an Off-Site Facility in the immediate area. In the event of such a transfer, certain fees will be payable. These fees are discussed in Section 8.4.

1.2.2 Care Center Units. The Extended Care Center is planned to include 198 Care Center Units. It is expected that the aggregate number of Care Center Units will adequately serve the needs of Community residents. However, in the unusual circumstance that the Care Center Units are fully occupied, the Medical Director will assist in arranging for a transfer to an Off-Site Facility in the immediate area. In the event of such a transfer, certain fees will be payable. These fees are discussed in Section 8.4.

Section 2. TERM

The Term of this Agreement shall be from the date of execution of the Agreement until the Agreement is terminated as provided by Section 12.

Section 3. LIVING ACCOMMODATIONS

3.1 Resident's Right to Occupy. Resident shall have the right to occupy and to use the following Continuing Care Unit: _____, as-is, from the Occupancy Date to the Departure Date, subject to the need for a transfer. Resident may not assign or sublet the right to occupy a Continuing Care Unit to any other person. FOX RUN VILLAGE shall provide the Continuing Care Unit, in good condition, with neutral painted walls, and with standard carpeting in Independent Living Units and Assisted Living Units.

3.2 Rights of New Spouse. If during the term of residency, the Resident marries a person who is not a resident of the Community, the Resident's spouse must meet FOX RUN VILLAGE's financial and health-related qualifications for entrance into the Community. The financial qualifications are meant to serve as a financial protection for the larger community of residents. FOX RUN VILLAGE reserves the right to determine the appropriate level of care within the Community for the spouse or to determine that there is not an appropriate level of care within the Community for the spouse. If the Resident's spouse is not accepted by FOX RUN VILLAGE, the Resident may terminate the Agreement in accordance with Section 12.1 of this Agreement. If the Resident's spouse is accepted by FOX RUN VILLAGE, certain fees will be payable, depending on whether the spouse is accepted into the same Continuing Care Unit or into a different Continuing Care Unit. These fees are discussed in Sections 7.3.2 and 8.2.

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3.3 Resident's Obligation to Furnish Unit. Resident shall be responsible for furnishing the Independent Living Unit and the Assisted Living Unit and for procuring insurance for personal possessions and furnishings. FOX RUN VILLAGE will provide furnishings and equipment, as required by law, for Care Center Units.

3.4 Customized Improvements. Resident may decorate the Continuing Care Unit to Resident's personal taste with pictures, window treatments, and the like, so long as such decorations are not permanent fixtures to the Unit or can be easily removed without damaging the structural integrity of the Unit. All other customized improvements to any Independent Living Unit or Assisted Living Unit to be undertaken by Resident either prior to or after the Occupancy Date must be approved in writing by the Executive Director in order to protect the structural integrity of the Unit. The contractor and the plans will be subject to the approval of the Executive Director. Any agreement regarding improvements and any charges related to such changes shall be put in writing and signed by the parties to this Agreement. Certain fees will be assessed on removing customized improvements. No customized improvements may be made to a Care Center Unit.

Section 4. SERVICES TO RESIDENTS

FOX RUN VILLAGE will make available the following services to Resident, as applicable, for the appropriate Monthly Service Package, during the life of the Resident, unless the Agreement is sooner terminated as provided in Section 12.

4.1 Independent Living Services. Covered Services included in the Independent Living Monthly Service Package are:

One meal a day;
Emergency communication system;
Security/Safety Officers on duty 24 hours per day;
All utilities (except personal telephone);
Basic cable television service;
Pre-wiring for telephone;
Scheduled local transportation
Maintenance on buildings, grounds and equipment;
Insurance on buildings, grounds and equipment;
Insurance of the Independent Living Unit and fixtures in the unit, except items owned by Resident;
Sewage, trash and snow removal; and
Use of all public rooms and common areas of the Community.

4.2 Assisted Living Services. Covered Services included in the Assisted Living Monthly Service Package are:

Provision of supervision, verbal and physical assistance, as appropriate, in the performance of activities of daily living ("ADLs"), including ambulation, personal hygiene, dressing, toileting and eating;
Administration of medications;
Three meals per day;
Laundry service for linens, towels, and personal laundry;
Light housekeeping care;
Social/recreational activities;
Emergency communications system;
Security/Safety officers on duty 24 hours per day;
All utilities (except personal telephone);
Basic cable television service;
Pre-wiring for telephone;
Scheduled local transportation (if medically appropriate);
Maintenance of buildings, grounds and equipment;
Insurance on buildings, grounds and equipment;
Insurance of the Assisted Living Unit and fixtures in the unit, except items owned by Resident;
Sewage, trash and general snow removal; and
Use of all public rooms and common areas of the Community.

4.3 Care Center Services. Covered Services included in the Nursing Care Monthly Service Package are:

Nursing care;
Three meals a day;
Tray service;
Individual care plans;
Planned activities;
Laundry services for linens, towels, and personal laundry;
Housekeeping;
Emergency communication system;
Security/Safety Officers on duty 24 hours per day;
Basic cable television service;
All utilities (except personal telephone);
Scheduled local transportation (if medically appropriate);
Maintenance of buildings, grounds and equipment;
Insurance on buildings, grounds and equipment;
Insurance of the Nursing Unit and fixtures in the unit, except items owned by Resident;
Pre-wiring for telephone;
Sewage, trash and snow removal; and
Use of all public rooms and common areas of the Community.

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Section 5. ANCILLARY SERVICES

5.1 Services Available through FOX RUN VILLAGE. In addition to the Covered Services described in Section 4 above, FOX RUN VILLAGE makes the following services available to Resident for an additional fee. Other services may become available as the community is developed.

Tray service to Residents in Independent Living or Assisted Living;
Housekeeping and laundry service for residents in Independent Living or Assisted Living;
Extra meals for Residents in an Independent Living Unit
Guest meals;
Lodging in guest rooms on a temporary and space available basis;
Personal storage space;
On-site health club membership;
Reserved parking space;
Home health services in an Independent Living Unit; and
Home health services in an Assisted Living Room for one-on-one care by nursing aide assigned to Resident.

5.2 Services Available through Outside Providers. FOX RUN VILLAGE also contracts with outside providers to provide the following services to Residents at the Community: medical services through the on-site Medical Center; laboratory services; medical supplies; prescription drugs; physical, speech and occupational therapy. These services will be provided at an additional fee by the outside provider and will be billed separately by the outside provider. Such services may be covered by Medicare or by resident's other medical insurance. FOX RUN VILLAGE does not charge Resident any additional fee for use of or access to these outside providers.

5.3 Services Not Provided. Certain services are outside the full spectrum of health care services that FOX RUN VILLAGE can provide. Acute hospital care or any institutional care other than care that is appropriate in an Assisted Living Unit or a Care Center Unit are not provided by FOX RUN VILLAGE or covered under the terms of this Agreement. FOX RUN VILLAGE will assist with any necessary transfers to such facilities; however, Resident will be responsible for the cost of such care.

Section 6. OTHER RESIDENT RIGHTS

6.1 Residents' Association. Resident shall have the right to participate fully in a Residents' Association, or other organization of residents by whatever name designated and to meet privately to conduct business.

6.2 Resident Guests. Resident shall have the right to receive guests and visitors at the Community and to allow such guests and visitors to stay in an Independent Living Unit on a

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temporary basis, subject to the reasonable policies and procedures of FOX RUN VILLAGE for use of the Community. Guest meals, guest cots, or rental of one of the Community's guest rooms will be treated as an Ancillary Service, the costs of which are chargeable to Resident.

6.3 Physicians and Other Professionals. Resident shall have the right to select attending physicians and other health care professionals, provided such physicians or other health care professionals shall agree to follow the reasonable policies and procedures of FOX RUN VILLAGE and applicable federal and state laws, rules and regulations. Resident is not required to use the on-site Medical Center or the physicians practicing there.

Section 7. REFUNDABLE ENTRANCE DEPOSIT

7.1 Payment of Refundable Deposit. Resident shall pay to FOX RUN VILLAGE a total Entrance Deposit, as indicated in Schedule I, attached and incorporated hereto, on or before taking residence at the Community. FOX RUN VILLAGE does not require a joint resident Entrance Deposit if Joint Residents occupy the same Continuing Care Unit.

In the case of joint Residents, the Entrance Deposit shall be deemed to be a joint asset of the joint Residents with the right of survivorship and may be used for the care of either joint Resident.

7.2 Adjustments to Refundable Entrance Deposit. Resident will not be required to pay an additional or increased Entrance Deposit as long as Resident remains in the original Continuing Care Unit. Resident's Entrance Deposit may be increased only in the circumstances listed below.

7.2.1 If a Resident who has paid an Entrance Deposit for an Independent Living Unit transfers permanently to an Independent Living Unit requiring a higher Entrance Deposit, Resident shall pay to FOX RUN VILLAGE an additional deposit equal to the difference between the Entrance Deposit then in effect for the higher Entrance Deposit Independent Living Unit and the Entrance Deposit then in effect for the Resident's present Independent Living Unit.

7.2.2 If a Resident's spouse is accepted by FOX RUN VILLAGE as a new resident in the Community and is placed in a different Continuing Care Unit than that of Resident, the new spouse must pay an additional Entrance Deposit for the new Continuing Care Unit, and the new spouse must sign a separate Residence and Care Agreement for the new Continuing Care Unit.

Resident shall not be entitled to a refund or decrease of the Entrance Deposit due to any temporary or permanent transfer, for whatever reason, during the Term of this Agreement. However, Resident retains the right to a refund of the Entrance Deposit upon the termination of this Agreement, as discussed below.

7.3 Refund of Deposit Prior to Occupancy. Any portion of the Entrance Deposit paid prior to occupancy shall be refunded by FOX RUN VILLAGE to Resident or the Resident's legal representative, as appropriate, prior to occupancy in the following circumstances:

(1) Resident rescinds the Residence and Care Agreement for any reason;

(2) Resident dies before occupying the unit or is precluded from occupying the unit through illness, injury, or incapacity; or

(3) FOX RUN VILLAGE elects to terminate the Agreement if it is determined that Resident is ineligible for entrance into the Community.

The refund of the Entrance Deposit shall be made within thirty (30) days following the other party's receipt of notice of the termination of this Agreement. FOX RUN VILLAGE may deduct from the refund any costs of customizing the Continuing Care Unit, as set forth in a written agreement between Resident and FOX RUN VILLAGE. If one of Joint Residents dies prior to occupancy, the remaining Resident may, but is not required to, rescind this Agreement. The surviving Resident may request a different Continuing Care Unit, and FOX RUN VILLAGE will refund or charge any difference in the Entrance Deposit between the Units, provided this election is made in writing at least thirty (30) days prior to occupancy.

7.4 Refund of Deposit after Occupancy. After occupancy of the Continuing Care Unit and subject to the terms and conditions of Section 7.5 of this Agreement, FOX RUN VILLAGE shall pay a refund of the Entrance Deposit to the Resident as follows.

7.4.1 Refund during Lifetime.. These terms apply whether Resident or FOX RUN VILLAGE terminates the Agreement during Resident's lifetime. FOX RUN VILLAGE shall pay a refund of the Entrance Deposit after the fulfillment of the following conditions: (1) Resident has vacated and has removed all possessions from the Continuing Care Unit; (2) Resident has signed a unit release for the Continuing Care Unit; and (3) Resident has paid to FOX RUN VILLAGE all outstanding fees and charges. FOX RUN VILLAGE shall pay the refund of the Entrance Deposit to the beneficiaries named in a signed Refund of Entrance Deposit Form or, if there is no Refund of Entrance Deposit Form, to the Resident. The time for making the refund depends upon the date that notice of the termination is given by the terminating party to the other party and is described below:

(1) If the notice of termination is given within the first 30 days of occupancy, then Resident shall be entitled to a refund of the full Entrance Deposit within 30 days after the notice is given.

(2) If the notice is given within the first five months of occupancy, but after the first 30 days of occupancy, then Resident shall be entitled to a refund of the

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Unearned Portion of the Entrance Deposit within 30 days after the notice is given. The Earned Portion of the Entrance Deposit shall be paid within 30 days of the date that a new qualified Resident pays a new Entrance Deposit in full.

(3) If the notice is given during the sixth month of residency, then Resident shall be entitled to a refund of the Unearned Portion of the Entrance Deposit within 30 days after the Departure Date or upon re-sale of the Continuing Care Unit, whichever occurs first. The Earned Portion of the Entrance Deposit shall be paid within 30 days of the date that a new qualified Resident pays a new Entrance Deposit in full.

(4) If the notice is given after the sixth month of residency, Resident shall be entitled to a full refund of the Unearned Portion of the Entrance Deposit within 45 days after the Notice is given or upon re-sale of the Continuing Care Unit, whichever occurs first. The Earned Portion of the Entrance Deposit shall be paid within 30 days of the date that a new qualified Resident pays a new Entrance Deposit in full.

7.4.2 Refund due to Death of Resident. If Resident dies after the Occupancy Date, FOX RUN VILLAGE shall pay a refund of the Entrance Deposit within thirty (30) days after fulfillment of the following conditions: (1) the Resident's personal representative or family has removed all possessions from the Continuing Care Unit; (2) the Resident's personal representative or family has signed a unit release for the Continuing Care Unit; (3) the Resident's personal representative or family has paid all outstanding fees and charges; and (4) a qualified new resident has signed a new Residence and Care Agreement for the continuing Care Unit and has settled in full by paying a new entrance deposit.. The refund shall be payable by FOX RUN VILLAGE to the beneficiaries named in a duly executed Refund of Entrance Deposit Form or, if there is no Refund of Entrance Deposit Form, to the personal representative of Resident's estate. If one joint Residents dies, there will be no refund of the Entrance Deposit; instead, so long as a surviving Resident continues to reside at the Community, the Entrance Deposit shall be deemed to have been paid entirely on behalf of the surviving Resident to be used for the survivor's care if necessary, and will eventually be paid to the survivor, to the beneficiaries named in the survivor's Refund of Entrance Deposit Form, or to the personal representative of the survivor's estate.

Please be advised that FOX RUN VILLAGE is not obligated to refund the full Entrance Deposit until, or unless, another Resident has occupied the Continuing Care Unit.

7.5 Limitation on Amount of Refund. The amount of the refund which FOX RUN VILLAGE is obligated to pay to Resident or Resident's estate and which Resident or Resident's

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estate is entitled to receive shall normally be the amount of Resident's Entrance Deposit at termination minus any outstanding fees or charges unless paid separately. Outstanding Monthly Service Packages, Ancillary Fees, and Refurbishing Fees will not be automatically deducted from the Refund of the Entrance Deposit unless Resident or Resident's representative so directs. With respect to the refund of any Earned Portion of the Entrance Deposit, if Resident's Continuing Care Unit is not reoccupied within a reasonable period of time, in FOX RUN VILLAGE's sole discretion, by a qualified new resident with an Entrance Deposit equal to or greater than Resident's Entrance Deposit, then FOX RUN VILLAGE will so notify Resident or Resident's personal representative. Resident or Resident's personal representative may then direct FOX RUN VILLAGE to re-market the Continuing Care Unit for a discounted Entrance Deposit. The amount of the discounted Entrance Deposit, when received from a qualified new resident, minus the Unearned Portion already refunded, will constitute the amount of the refund of the Earned Portion of the Entrance Deposit to Resident.

Section 8. MONTHLY SERVICE PACKAGES

8.1 Monthly Service Packages. During the Term of this Agreement, Resident shall pay the applicable Fee for the Continuing Care Unit. As of the date of this Agreement, the applicable Monthly Service Package for the Resident's current Continuing Care Unit is shown on Schedule I. The Monthly Service Package is due and payable monthly, in advance, on or before the 10th day of each month; provided, however, that the Monthly Service Package for the month during which a Resident first takes occupancy of a Continuing Care Unit shall be payable in arrears on a pro-rated basis along with the payment of the Monthly Service Package for the first full calendar month occurring during the Term of this Agreement. If Resident fails to pay the Monthly Service Packages by the due date, FOX RUN VILLAGE shall assess a twenty dollar ($20) late fee per month.

8.2 Monthly Service Packages for Joint Residents. Joint Residents occupying the same Independent Living Unit shall pay one Independent Living Monthly Service Package and a Double Occupant Fee for each additional Joint Resident. If the Joint Residents occupy different Continuing Care Units, the Residents shall each pay the full Monthly Service Package for their respective Continuing Care Unit. This fee structure applies to Joint Residents who move to the Community together and to a Resident and a new spouse who are accepted to the Community on different dates.

8.3 Adjustments to Monthly Service Packages. The Independent Living Monthly Service Package, Assisted Living Monthly Service Package, Nursing Care Monthly Service Package, and Double Occupant Fee may be revised from time to time. FOX RUN VILLAGE generally adjusts fees on an annual basis after having evaluated such factors that it perceives to be relevant to the costs associated with operating the Community and other financial requirements. Normally such changes will be made to become effective on January 1 of the next calendar year upon 60 days notice to residents. However, in unusual circumstances, FOX RUN VILLAGE reserves the right at any time, upon sixty (60) days notice to Resident, to adjust the Monthly Service Packages to reflect any additional cost or liability for which there is no adequate, budgeted reserve, including, but not limited

to, tax liability for real estate taxes relating to the Community, increased operating expenses, and inflation.

8.4 Monthly Service Package in Event of Temporary Transfer. In the event that Resident temporarily transfers to another Continuing Care Unit in the Community or to an Off-Site Facility, Resident shall pay the Monthly Service Package for Resident's permanent Continuing Care Unit in addition to the Monthly Service Package for the temporary Continuing Care Unit or the applicable fee(s) for the Off-Site Facility, as the case may be. Payment of the Monthly Service Package for Resident's permanent Continuing Care Unit assures that such permanent Continuing Care Unit will remain available to Resident during the time Resident is temporarily transferred. The Monthly Service Package for a temporary Continuing Care Unit at the Community shall be prorated on a daily basis for the period Resident is temporarily transferred.

During the time of the temporary transfer, Resident's Monthly Service Package for the permanent Continuing Care Unit shall be adjusted as follows: (1) if a single Resident transfers, the Monthly Service Package will be reduced by a single Non-Occupancy Credit; (2) if a single Joint Resident transfers, the Monthly Service Package will be reduced by the Double Occupant Fee, pro-rated; (3) if both Joint Residents transfer from a double occupancy Unit, the Monthly Service Package will be reduced by the Non-Occupancy Credit and the Double Occupant Fee, pro-rated; and (4) if both Joint Residents transfer, from different Continuing Care Units, each Resident's Monthly Service Package shall be reduced by the respective Non-Occupancy Credit.

Upon Resident's return to the permanent Continuing Care Unit, Resident shall continue to pay the current Monthly Service Package associated with such Continuing Care Unit and shall cease to pay the additional Monthly Service Package for the temporary Continuing Care Unit.

8.5 Monthly Service Package in Event of Permanent Transfer. In the event of a permanent transfer to another Continuing Care Unit, Resident shall be responsible for payment of the Monthly Service Package as follows:

(1) If Resident permanently transfers from one Independent Living Unit to another Independent Living Unit, Resident shall normally be responsible for payment of the Monthly Service Package for the original Independent Living Unit until it is vacated and all possessions are removed. However, if Resident vacates and removes all possessions from the original Independent Living Unit within ten (10) days of occupying the new Independent Living Unit, FOX RUN VILLAGE will waive further payment of the Monthly Service Package for the original Independent Living Unit as of the date that the new Independent Living Unit was occupied.

(2) If Resident permanently transfers from any Continuing Care Unit to an Assisted Living or a Care Center Unit, Resident shall normally be responsible for payment of the Monthly Service Package for the original Continuing Care Unit until it is vacated and all possessions

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are removed. However, if Resident vacates the original Continuing Care Unit within thirty (30) days of notice of the permanent transfer, FOX RUN VILLAGE will waive further payment of the Monthly Service Package for the original Continuing Care Unit as of the date of notice of the permanent transfer.

8.6 Monthly Service Package in Event of Termination of Agreement. If Resident terminates this Agreement, or if FOX RUN VILLAGE terminates this Agreement for good cause, or if this Agreement should terminate by reason of the death of a Resident, Resident shall be responsible for the payment of the Monthly Service Package for the vacated Continuing Care Unit, minus the Non-Occupancy Credit, as follows:

(1) If the Agreement is terminated within the first thirty (30) days of occupancy, and the unit is vacated within thirty (30) days of the notice of termination, no Monthly Service Package is due after the Departure Date; or

(2) If the Agreement is terminated after the first thirty (30) days of occupancy but before the first six (6) months of occupancy and the Unit is vacated within thirty (30) days of the notice of termination, Resident shall be responsible for payment of the Monthly Service Package for the vacated Continuing Care Unit until the lesser of: (a) all of the conditions for a full refund of the Entrance Deposit have been fulfilled; or (b) the total Monthly Service Packages reach a maximum limit of 10% of the entrance deposit up to the first $15,000. Thus, for residents vacating between the thirty (30) day to six (6) month period, the Monthly Service Packages will not exceed a total of $1,500.00.

(3) After the first six (6) months of occupancy, Resident shall be responsible for the payment of the Monthly Service Package for the vacated Continuing Care Unit, minus the Non-Occupancy Credit as applicable, until either (a) all the conditions for a full refund of the Entrance Deposit set forth in Section 7 of this Agreement have been fulfilled; or (b) ninety (90) days following the expiration of the appropriate ninety (90) day notice of termination period, whichever event shall occur first.

Section 9. OTHER FEES OR COSTS

9.1 Processing Fee. Resident shall pay or has paid to FOX RUN VILLAGE a processing fee of $_____ per applicant in connection with Resident's application for residence at the Community.

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9.2 Ancillary Services Fees. During the term of this Agreement, if Resident makes use of Ancillary Services, Resident shall pay fees to FOX RUN VILLAGE for the Ancillary Services (as described in Section 5) provided to Resident through FOX RUN VILLAGE. Fees for ancillary services which are provided by FOX RUN VILLAGE may be revised by FOX RUN VILLAGE from time to time, and such change shall take effect upon the giving of sixty (60) days notice of such increase to the Resident. Fees which are based on published rates (for example, Medicare rates) shall be revised upon the effectiveness of changes to such rates. All Ancillary Services provided by FOX RUN VILLAGE shall be billed to the Resident on the Resident's monthly statement, and payment shall be due by the 10th day of the month that Resident receives the an invoice for such services. If Resident fails to pay the Ancillary Fees by the due date, FOX RUN VILLAGE shall assess a twenty dollar ($20) late fee per month.

9.3 Other Services. Ancillary Services or other services not billed by FOX RUN VILLAGE and any other services arranged by the Resident shall be billed directly to the Resident, and FOX RUN VILLAGE shall have no responsibility for payment of or collecting payment for such services.

9.4 Refurbishing Fee. Each time Resident permanently vacates an Independent or Assisted Living Unit, irrespective of the length of time of occupancy, Resident shall pay a Refurbishing Fee to FOX RUN VILLAGE to cover the reasonable costs of cleaning and refurbishing the Continuing Care Unit, including but not limited to super-cleaning or replacement of carpeting, spackling and/or painting of walls, removing any customized improvements and generally restoring the Continuing Care Unit to its original condition, or any other appropriate repairs, at FOX RUN VILLAGE's discretion, to bring the Continuing Care Unit back to a like-new condition.

9.5 Medical and Other Insurance. Resident shall procure and maintain in force at Resident's own cost maximum coverage available to Resident under Medicare, Parts A & B. FOX RUN VILLAGE may accept documented equivalent coverage if Resident is not eligible for Medicare or is insured under other adequate programs. Supplemental insurance is not provided by FOX RUN VILLAGE. However, a supplemental ("medigap" type) insurance must be purchased and maintained by Resident at Resident's expense. Resident shall procure and maintain, at Resident's own expense, sufficient insurance coverage against damage of, loss to, or theft of Resident's personal property maintained at the Community, including personal liability coverage. Evidence of such insurance shall, at FOX RUN VILLAGE's request, be provided prior to occupancy. FOX RUN VILLAGE shall be responsible for insuring the Continuing Care Unit and fixtures in the Continuing Care Unit provided by FOX RUN VILLAGE, not including Resident's personal property.

9.6 Funeral Arrangements and Burial Expenses. Funeral arrangements and burial expenses are the responsibility of the Resident. FOX RUN VILLAGE will not make such arrangements or provide such services.

Section 10. FINANCIAL INABILITY TO PAY

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It is the policy of FOX RUN VILLAGE not to terminate a resident's occupancy for the resident's financial inability to pay provided that the resident is otherwise in compliance with the terms of such residents Residence and Care Agreement. To the extent that it is financially feasible and in FOX RUN VILLAGE's sole discretion, FOX RUN VILLAGE will endeavor to assist residents who are unable to pay full Monthly Service Packages by reducing Monthly Service Packages for such residents to an appropriate level.

To insure that its charitable intentions are equitably allocated for the benefit of as many residents as possible, FOX RUN VILLAGE requires that, in the event that Resident claims to be unable to make full monthly payment by reason of financial inability, Resident must take any or all of the following actions, as directed by the Executive Director.

10.1 If the Resident's sources of funds, including expenditures of principal and the guaranty, if any, are inadequate for the Resident to make the payments required under this Agreement, Resident shall file with the Executive Director, on appropriate forms provided by the Executive Director, a Statement of Financial Inability to Pay. As part of the Statement of Financial Inability, Resident shall disclose his or her remaining available assets and income. The Executive Director will review the resident's financial position to determine the existence of any outside assets, including any guaranty agreements, which may first be spent for Resident's care.

10.2 If Resident has outside assets other than the Entrance Deposit, the Executive Director will establish a Spending Plan for Resident to spend the outside assets and to obtain assistance from other available means. If Resident can qualify, Resident will take the necessary steps to obtain county, state, and federal aid or assistance including Medicare, public assistance and any other public benefit program. Resident agrees to execute any and all documents necessary to make and perfect such claims or rights. If Resident fails to cooperate with the Spending Plan for the outside assets, FOX RUN VILLAGE may terminate the Agreement for good cause.

10.3 After Resident has completed the Spending Plan or if Resident has no outside assets other than the Entrance Deposit, FOX RUN VILLAGE may spend-down the Entrance Deposit. The Executive Director will notify Resident if spend-down has been approved and will give the effective date. The Executive Director shall have sole discretion to determine the total amount of the spend-down for Resident, depending upon Resident's financial and health situation as well as the financial and health situation of a Joint Resident.

10.4 Upon completion of the spend-down of the Entrance Deposit, Resident may qualify for assistance from a resident benevolent care fund if such fund is established by FOX RUN VILLAGE in FOX RUN VILLAGE's sole discretion. If Resident is approved for such assistance, the Executive Director shall inform Resident of the amount which the resident benevolent care fund will contribute to the Monthly Service Packages and the amount which Resident must contribute to the Monthly Service Package.

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10.5 If requested by FOX RUN VILLAGE, Resident will transfer to an alternate Continuing Care Unit at the Community if and when available.

10.6 Resident will provide periodic statements of financial condition and copies of income tax returns as the same may be requested from time to time by FOX RUN VILLAGE. Resident will notify FOX RUN VILLAGE of any and all assets acquired by Resident through any means whatsoever thereafter, and will assign or pay such property received to FOX RUN VILLAGE, in an amount equivalent to the total outstanding charges and Fees, owed by Resident.

10.7 Resident will also apply for Medical Assistance if Resident can qualify. Resident agrees to execute any and all documents necessary to make and perfect such claims or rights.

Section 11. TRANSFERS

11.1 Temporary and Permanent Transfers. For the purposes of this Agreement, a temporary transfer is a transfer of an anticipated finite duration. During a temporary transfer, a Resident's permanent Continuing Care Unit shall remain available to Resident as long as Resident continues to pay the appropriate Monthly Service Packages. A permanent transfer is a transfer of indeterminate duration. During a permanent transfer, Resident shall be requested to release the Continuing Care Unit. After a permanent transfer, if Resident is able to return to the Continuing Care Unit previously occupied at the Community or to a different, medically appropriate, Continuing Care Unit at the Community, Resident shall have the right to occupy the Unit subject to availability of such Unit.

11.2 Transfer at the Election of Resident. Resident may elect to transfer on a temporary or permanent basis to an alternate Independent Living Unit, an Assisted Living Unit, a Care Center Unit, or to an Off-Site Facility by giving notice to FOX RUN VILLAGE. All transfers within the Community shall be subject to the availability of the elected alternate Unit and to the approval of FOX RUN VILLAGE. A permanent transfer to an Off-Site Facility shall not be deemed a termination of this Agreement unless Resident elects to terminate this Agreement pursuant to Section 12.1 of this Agreement.

11.3 Transfer at Election of FOX RUN VILLAGE: Non-Emergency. Any decisions regarding a transfer of Resident at the election of FOX RUN VILLAGE, except for emergency transfers, shall be made by a committee consisting of the Executive Director or his or her designee and the Medical Director or his or her designee (collectively referred to as the "Committee"). The Committee will consult with the Resident or his or her legal representative. If Resident has a Guarantor or ombudsman, such persons also will be consulted if Resident requests. FOX RUN VILLAGE attempts to interact with the Resident or Resident's representative with the goal of achieving a consensus on the need for a transfer although consensus in not always achieved.

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Resident shall not be transferred, temporarily or permanently, to a different Continuing Care Unit unless (1) in the opinion of the Committee, such transfer is deemed appropriate for the protection of the health or safety of Resident or the welfare of the other residents, or (2) in the opinion of the Committee, the transfer is deemed necessary due to financial inability to pay, or (3) in the case of a permanent transfer to an Off-Site Facility that provides treatment for mental disorders, the need for such transfer is certified by two physicians, or one physician and one psychologist. If the Resident is transferring due to event (1) or (3) listed above and the Continuing Care Unit is occupied by joint Residents, a remaining joint Resident may continue to occupy the Continuing Care Unit.

The Committee shall give Resident thirty (30) days advance written notice of the proposed transfer. Resident or his or her representative shall notify FOX RUN VILLAGE of any objection to the permanent transfer within ten (10) days of receipt of the notice. If the Resident or his or her representative do not consent to the transfer, the Committee may, in its discretion and in lieu of a transfer, require Ancillary Services be provided to the Resident if a higher level of care is deemed appropriate in the opinion of the Committee for the protection of the health or safety of the Resident or the welfare of the other Residents. If Resident or his or her representative do not consent to either the transfer or the Ancillary Services, FOX RUN VILLAGE may consider such refusal to constitute good cause for FOX RUN VILLAGE to terminate the Agreement.

11.3 Transfer at Election of FOX RUN VILLAGE: Emergency. If the health and safety of the Resident or the health and safety of other residents require immediate action, the Executive Director with the approval, if reasonably obtainable, of the Medical Director, may transfer Resident from the Resident's current Continuing Care Unit to a different Continuing Care Unit or to an Off-Site Facility, on a temporary or permanent basis. Emergency circumstances arise when there is a danger of immediate, irreparable harm to the health and safety of the Resident or to the health and safety of other people at the Community. In the event that Resident is required to be transferred to a Care Center Unit, an Assisted Living Unit, or an Off-Site Facility during a period that Resident is suffering from legal incompetency, Resident agrees to be bound by the terms of the applicable Agreement in effect at the time of such transfer.

11.4 Use of Continuing Care Unit. In the event of a temporary transfer, whether due to the election of Resident or of FOX RUN VILLAGE, Resident's prior Continuing Care Unit will remain available to Resident as long as Resident continues to pay the Monthly Service Package for the permanent Continuing Care Unit in accordance with Section 8.4.

In the event of a permanent transfer, whether due to the election of Resident or of FOX RUN VILLAGE, Resident or his or her representative shall sign and give to FOX RUN VILLAGE a Unit Release form, advising FOX RUN VILLAGE of the Departure Date for the Resident. Resident or his or her representative shall then be responsible to vacate the Continuing Care Unit and to remove all personal possessions from the Continuing Care Unit. FOX RUN VILLAGE shall have the right to

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show the Continuing Care Unit to interested applicants as of the date indicated in the Unit Release Form.

If Resident fails to vacate the Continuing Care Unit by the indicated Departure Date or, in the event of a transfer by FOX RUN VILLAGE, within sixty (60) days from the notice of transfer, FOX RUN VILLAGE shall have the right to store the Resident's possessions in a general storage area at the Community or to arrange for storage in a commercial storage facility, all at Resident's sole expense until disposition can be made. FOX RUN VILLAGE assumes no responsibility for Resident's stored possessions.

Section 12. TERMINATION

12.1 Termination by Resident. Resident may terminate this Agreement at any time and for any reason by giving notice to FOX RUN VILLAGE of his or her intention to terminate the Agreement and vacate the Continuing Care Unit. In order to expedite the resale of the Continuing Care Unit and the refund of the Entrance Deposit in accordance with Section 7 of this Agreement, FOX RUN VILLAGE requires thirty (30) days prior written notice for Residents who have occupied a Unit less than six (6) months and ninety (90) days prior written notice for Residents who have occupied a Unit for greater than six (6) months. If Resident terminates this Agreement and subsequently re-applies to the Community, FOX RUN VILLAGE will require Resident to complete the entire application process again.

12.2 Termination by FOX RUN VILLAGE. Any decision by FOX RUN VILLAGE to terminate this Agreement will be made by the Executive Director of the Community. FOX RUN VILLAGE may not terminate this Agreement without good cause. "Good Cause" is defined as: non-payment of Monthly Service Packages and charges; non-payment of Entrance Deposit or promissory note; breach of any material term of this Agreement; serious danger to the health and safety of Resident; serious interference with the health and safety of community living activities, recreation and fellowship of other residents; serious destruction of real and personal property of other residents. In accordance with FOX RUN VILLAGE's policy on financial inability to pay and to the extent that it is financially able (See Section 10 of this Agreement), FOX RUN VILLAGE will endeavor to assist residents who are unable to pay full Monthly Service Packages provided that such residents act in good faith and are otherwise in compliance with the terms of the Residence and Care Agreement.

Except for termination due to non-payment of fees, FOX RUN VILLAGE will give Resident sixty (60) days written notice of the termination and the reason for termination. In the event of non-payment of fees, FOX RUN VILLAGE will give written notice to the Resident that the Resident is in default under this Agreement for non-payment of fees. FOX RUN VILLAGE may charge Resident a late fee on the overdue amount per Sections 8.1 and 9.2 of the Agreement. If Resident fails to make full payment of all outstanding fees and charges within thirty (30) days of receipt of the notice, FOX RUN VILLAGE may, at its election, either terminate the Agreement upon an additional thirty (30) days' notice or may require a spend-down of the Entrance Deposit, in accordance with the

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Community's spend-down procedures as generally set forth in Section 10 of this Agreement, to offset the overdue fees and charges. Acceptance by FOX RUN VILLAGE of partial payment of the fees does not constitute a waiver of the outstanding fees and charges unless FOX RUN VILLAGE agrees to a waiver in writing.

12.3 Vacating the Unit. Upon termination of the Agreement either by election of Resident, election of FOX RUN VILLAGE, or due to the death of the Resident, Resident or his or her representative shall sign and give to FOX RUN VILLAGE a Unit Release form, advising FOX RUN VILLAGE of the Departure Date for the Resident. Resident or his or her representative shall then be responsible to vacate the Continuing Care Unit and to remove all personal possessions from the Continuing Care Unit. FOX RUN VILLAGE shall have the right to show the Continuing Care Unit to interested applicants as of the date indicated in the Unit Release Form.

If Resident fails to vacate the Continuing Care Unit by the indicated Departure Date or, in the event of a termination by FOX RUN VILLAGE, within the required time from the notice of termination as provided in Section 12.1, FOX RUN VILLAGE shall have the right to store the Resident's possessions in a general storage area at the Community or to arrange for storage in a commercial storage facility, all at Resident's expense until disposition can be made. FOX RUN VILLAGE assumes no responsibility for Resident's stored possessions.

Section 13. RIGHTS OF FOX RUN VILLAGE

13.1 Community Rules and Regulations. FOX RUN VILLAGE shall have the right to promulgate reasonable rules and regulations governing the conduct of the Residents. Resident shall enjoy the fullest measure of independence consistent with the accommodation in which Resident lives, subject, however, to the limitations of the reasonable policies and procedures now or hereafter adopted by FOX RUN VILLAGE for the conduct and care of all residents. Resident agrees to abide by all such policies and procedures, and generally to conduct himself or herself in such a manner as to promote the peace and harmony of the Community.

13.2 Access to Continuing Care Units at the Community. Resident acknowledges and accepts the responsibility of FOX RUN VILLAGE to enter Resident's Continuing Care Unit in order to carry out the purpose and intent of this Agreement and authorizes such entry. Such entry includes (1) performance of authorized housekeeping duties; (2) response to medical emergencies; (3) responses to fire protection systems; (4) entry by authorized personnel in the event that the Resident is reported missing or has not responded to a call; (5) scheduled maintenance activities; and (6) enforcement of the Community's policies and procedures. FOX RUN VILLAGE acknowledges and hereby agrees to respect Resident's right to privacy and agrees to limit uninvited entry into the Continuing Care Unit at the Community to emergency situations and scheduled or authorized work as set forth in this paragraph.

13.3 Property Rights. Resident acknowledges that, except as expressly set forth in this Agreement, the rights and privileges granted by this Agreement do not include any right, title or interest in any part of the personal property or real property - including land, buildings and improvements - owned, leased or administered by FOX RUN VILLAGE. Resident's rights are limited to the rights provided in this Agreement for services and the occupancy of the Continuing Care Units. Except for Resident's right to occupy the Continuing Care Unit, any rights, privileges or benefits under this Agreement shall be subordinate to any mortgage or deed of trust or leasehold interest on any of the premises or interest in real and personal property of FOX RUN VILLAGE, to all amendments, modifications, replacement or refunding, of any such mortgage or deed of trust or leasehold interest, and to such reasonable rules and regulations governing the use of the property as shall from time to time be imposed by FOX RUN VILLAGE. Resident hereby agrees, upon request of FOX RUN VILLAGE, to execute and deliver any document which is required to this effect by FOX RUN VILLAGE, or by the holder of such mortgage or deed of trust or leasehold interest to effect such subordination or to evidence the same, and appoints FOX RUN VILLAGE as Resident's attorney in fact to accomplish that purpose.

13.4 Limitation of Liability. FOX RUN VILLAGE shall not be responsible for the loss of any personal property belonging to the Resident due to theft or any other cause. The liability of FOX RUN VILLAGE for damage to or loss of Resident's personal property shall be limited to damage or loss caused by negligent acts or omissions of FOX RUN VILLAGE or of its employees acting within the scope of their employment.

13.5 Unauthorized Transfers of Property. The financial information submitted by or on behalf of Resident is a material aspect upon which FOX RUN VILLAGE is reasonably relying in determining Resident's qualifications for becoming a Resident of the Community. Being able to meet the minimum financial criteria to become a Resident helps assure the financial stability of this Community. Furthermore, FOX RUN VILLAGE is committed to take every reasonable step to assist a Resident who has depleted those assets through normal living expenditures so that he or she may continue to remain as a Resident of the Community. However, in order to protect FOX RUN VILLAGE from a situation wherein a Resident divests him/herself of those assets for the purpose of qualifying for assistance or reduction of Monthly Service Packages, Resident agrees not to divest him/herself of, sell, or transfer any assets or property interests (excluding expenditures for Resident's normal living expenses) that would result in a reduction in Resident's net worth (assets less liabilities) which is below the minimum criteria to become a Community resident, without having first obtained the written consent of FOX RUN VILLAGE.

13.6 Religious Affiliation and Sponsorship. There is no religious organization which maintains financial control over FOX RUN VILLAGE.

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Section 14. MISCELLANEOUS PROVISIONS

14.1 Documents Incorporated by Reference. This Agreement includes the Admissions Application for residence, the Financial Information Form, the Resident Information Form, including Resident's medical records, if any, and the Refund of Entrance Deposit Form. This Agreement may include a Promissory Note, a Guaranty Agreement, a Power of Attorney for property disposition, an Advance Directive, Appointment of Health Care Agent, or Living Will, and Resident's medical insurance documentation, all of which documents are incorporated by reference and made a part of this Agreement (see Schedule I attached hereto). If Resident enters an Assisted Living Unit or a Care Center Unit, then the Addendum for that level of care will also apply. Resident acknowledges that FOX RUN VILLAGE will rely on statements of Resident in these documents and warrants that all statements are true and complete to the best of Resident's knowledge.

14.2 Rules of Construction. In this Agreement, the masculine, feminine and neuter genders shall be construed to be interchangeable and shall include one another to the extent that such context is necessary to provide a logical or meaningful construction of the text. Similarly, the singular and plural shall be interchangeable and shall include one another to the extent that such context is necessary to provide a logical or meaningful construction of the text. Section captions are for ease of reference only.

14.3 Non-waiver. The failure of any party in any one or more instances to insist on the strict performance, observance or compliance by the other party with any of the terms or provisions of this Agreement, shall not be a continuing waiver thereof nor construed to be a waiver or relinquishment by a party of its rights to insist upon strict compliance by the other party with all of the terms and provisions of this Agreement.

14.4 Entire Agreement. This Agreement and the documents referenced in Section 14.1 represent the entire agreement between FOX RUN VILLAGE, Resident, and Guarantor, if any, and supersedes all prior Agreements and negotiations. Except as contained herein or in any contemporaneous, written agreements, there are no promises or agreements between the parties.

14.5 Amendment. This Agreement shall be amended only in writing, signed by FOX RUN VILLAGE and Resident.

14.6 Disclosure Statement. Resident hereby acknowledges that Resident received the latest disclosure statement of FOX RUN VILLAGE at least three (3) days before signing this Agreement or before transferring any money to FOX RUN VILLAGE, whichever is earlier, and has reviewed such statement.

14.7 Severability. The invalidity or unenforceability of any provision of this Agreement or the application of any such provision, shall not affect or impair any other provisions or the validity or enforceability of the remainder of this Agreement, or any application of any other provision of the

remainder of this Agreement; however, the Resident, to the extent provided by law, retains the right to rescind this Agreement if any provision is in violation of the laws of the State of Michigan as amended from time to time.

14.8 Paragraph Headings. Paragraph headings are added solely to aid in the review of this Agreement and are not to be construed to affect the interpretation of this Agreement.

14.9 Venue. All parties to this Agreement, including FOX RUN VILLAGE, Resident, and Guarantor(s), if any, agree that venue for any action for the enforcement, construction, rescission, termination of, or any action arising out of this Agreement shall be in Wayne County, Michigan. All parties agree that the filing of any action may include a request for an expedited hearing.

14.10. Assignment. In the event that FOX RUN VILLAGE or any of FOX RUN VILLAGE's successors or assigns shall give Resident notice that any or all of the rights, duties and obligations of FOX RUN VILLAGE have been assigned to a new person or entity registered as a continuing care FOX RUN VILLAGE under the laws of the State of Michigan to provide services at the Community, Resident agrees to recognize such new person or entity as FOX RUN VILLAGE under this Agreement, to the extent of such assignment.

IN WITNESS WHEREOF the parties have hereunto set their hands on the date appearing next to their respective signatures.

Receipt of Disclosure Statement: Resident hereby acknowledges that Resident received the latest Disclosure Statement of FOX RUN VILLAGE prior to signing this Agreement and has reviewed such statement.

Witness	Resident	Date
Witness	Resident	Date

SIGNATURES

This document is a legal contract. Signing this Agreement means that you are legally bound by its terms. Therefore, you should seek the advice of a legal or financial advisor.

FOX RUN VILLAGE, INC.

Witness	By:_____	Date
Witness	Resident	Date
Witness	Resident	Date

If applicable: Guarantors: I (We) _____ have read the provisions of this Agreement and by signing my (our) name(s) below, agree to guaranty Resident's obligations incurred under this Agreement in accordance with the Guaranty Agreement.

Witness	Guarantor	Date
Witness	Guarantor	Date

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Schedule I
Schedule of Fees

Total Entrance Deposit for Unit: $ _____

Current Monthly Service Package for Unit: $ _____ per month

Current Processing Fee: $ _____ per applicant

Current Ancillary Fee Schedule: See next page

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SCHEDULE OF ANCILLARY FEES IN U.S. DOLLARS
ESIMATED (2001$)

Ancillary Fee	2001
Credit for absences per day (more than a week)	7.00
Second person occupancy	558.00
Dinner (Mon - Sat)	12.00
Sunday brunch	10.00
Special Event guest meal	16.00
Children's menu	6.00
Additional apartment key or mailbox key	3.00
Reserved parking per month	20.00
Reserved covered parking per month	30.00
Storage bin per month	5.00
Service per hour plus materials (half hour min)	25.00
Private Duty HHA service (4+ hr. period) hourly rt. **	18.00
Private Duty Couple Rate HHA service (1<4 hr. period) hourly rt. **	25.00
Wheelchair escort (one way)	5.00
Medication Reminder	7.00
Wanderguard	30.00

** Home Health Fees are doubled on all major holidays: New Years Day, Martin Luther King Day, Easter, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas Day.

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Schedule II

Documents Incorporated

A. Admissions Application for residence

B. Financial Information Form

C. Resident Information Form

D. Refund of Entrance Deposit Form

E. Agreement for Customized Improvements (if any)

F. Guaranty Agreement (if any)

G. Power of Attorney for property disposition (if any)

H. Advance Directive, Appointment of Health Care Agent , or Living Will (if any)

I. Resident's medical insurance documentation (if any)

J. Promissory Note (if any)

K. Unit Release and Unit Transfer-Release Forms

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NOVI CAMPUS, LLC
DEVELOPMENT AGREEMENT

Exhibit C
Development Plan

I. Phase Forecasts
II. Schedule of Estimated Completion Dates
III. Schedule of Entrance Deposits
IV. Phases I Through III Projected Cashflow
V. Marketing Proforma
VI. Site Plan
VII. Unallocated Expenses Forecast

NOVI CAMPUS, LLC
DEVELOPMENT PLAN
Phase Forecasts
Prepared: January 16, 2002

EXHIBIT C
CONSTRUCTION PHASES

JDE Project #	Phase	Indp. No. of Units	HCC No. of Beds	Square Footage	Inflated Cost/sf $	Building Costs**	Sitework	Total Hard Costs	Construction Fees	Fees/ Permits	Architecture Costs	Engineering Costs	Builder's Risk 0.1%	Development Fees 5%	Estimated Contingency	Total Direct Costs	Entrance Deposits
MAPL	Masterplan									251,000	297,000	500,000	0		0	1,048,000	
MC10	Marketing Center Trailer					400,000		400,000	6,000		20,250	0	400		20,000	446,650	
SW10	Sitework 1						8,011,100	8,011,100	120,167			500,000	8,011		400,555	9,039,833	
GH10	Gatehouse 1			97		200,000		200,000	3,000	2,500	17,415		200		10,000	233,115	
CB10	Community Bldg 1.0/Pool			50,000	185.68	9,283,000		9,283,000	139,245	60,200	413,652		9,283		278,490	10,183,870	
RB11	Residential Building 1.1	0		123,560	84.87	10,486,537		10,486,537	157,298	449,180	225,694		10,487	1,135,940	314,596	12,779,733	22,718,800
RB12	Residential Building 1.2	0		114,500	84.87	9,717,615		9,717,615	145,764	428,060	224,998		9,718	1,135,414	291,528	11,953,097	22,708,280
RB13	Residential Building 1.3	0		130,800	87.42	11,434,536		11,434,536	171,518	461,660	192,366		11,435	1,208,167	343,036	13,822,718	24,163,340
PKD1	Parking Deck #1					1,170,979		1,170,979	17,565	15,566	108,587		1,171		35,129	1,348,998	
RB14	Residential Building 1.4	0		139,820	87.42	12,223,064		12,223,064	183,346	482,660	220,930		12,223	1,291,386	366,692	14,780,301	25,827,710
RB15	Residential Building 1.5	119		145,200	90.04	13,073,808		13,073,808	196,107	506,692	231,714		13,074	1,355,347	392,214	15,770,956	27,106,937
BR10	BR 1.0 (RB 1.2 to CB 1.0)			50	2,985.33	149,267		149,267	2,239		161,831		149		4,478	317,964	
BR20	BR 2.0 (RB 2.1 to CB 2.0)			150	3,167.14	475,071		475,071	7,126				475		14,252	496,924	
SW20	Sitework 2 (includes NH2)					0	6,237,349	6,237,349	93,560			500,000	6,237		311,867	7,149,014	
PKD2	Parking Deck #2					1,205,754		1,205,754	18,086	16,331	39,926		1,206		36,173	1,317,476	
RB21	Residential Building 2.1	140		163,360	90.04	14,708,934		14,708,934	220,634	585,750	274,394		14,709	1,595,703	441,268	17,841,392	31,914,055
EC10	Extended Care Phase 1		136	97,000	171.57	16,642,290		16,642,290	249,634	227,138	1,080,000		16,642	986,800	499,269	19,701,773	18,736,000
BR30	BR 3.0 (RB 2.3 to ECC 1)			137	3,262.15	446,915		446,915	6,704				447		13,407	467,473	
CB20	Community Building 2.0			50,000	202.87	10,618,571		10,618,571	159,279	63,683	527,148		10,619		318,557	11,697,857	
RB22	Residential Building 2.2	100		119,190	92.74	11,053,681		11,053,681	165,805	448,362	174,590		11,054	1,253,956	331,610	13,439,059	25,079,126
CB11	Transitional Spaces					150,000		150,000	2,250				150		4,500	156,900	
RB23	Residential Building 2.3	116		148,527	92.74	13,774,418		13,774,418	208,616	511,209	203,727		13,774	1,465,676	413,232	16,586,651	29,313,518
RB24	Residential Building 2.4	102		125,300	95.52	11,968,856		11,968,856	179,530	456,764	189,945		11,969	1,254,655	359,060	14,420,578	25,093,091
RB25	Residential Building 2.5	91		111,750	95.52	10,674,380		10,674,380	160,115	414,931	192,930		10,674	1,118,767	320,231	12,892,008	22,375,339
PKD3	Parking Deck #3					1,170,635		1,170,635	17,560	15,943	50,830		1,171		35,119	1,291,258	
CH10	Chapel			8,160	266.66	2,192,266		2,192,266	32,884		115,695		2,192		65,768	2,408,805	
MB10	Maintenance Building					400,000		400,000	6,000	13,599	8,840		400		12,000	440,639	
BR60	BR 6.0 (RB 3.2 to CB 3.0)			66	3,262.15	215,302		215,302	3,230				215		6,459	225,206	
BR70	BR 7.0 (CB 3.0 to RB 3.3)			60	3,460.82	207,649		207,649	3,115				208		6,229	217,201	
BR80	BR 8.0 (RB 3.3 to RB 3.4)			76	3,460.82	263,022		263,022	3,945				263		7,891	275,121	
BR40	BR 4.0 (RB 3.1 to RB 2.5)			99	3,360.02	332,642		332,642	4,990				333		9,979	347,944	
SW30	Sitework 3 (includes NH3)					0	3,442,931	3,442,931	51,644			500,000	3,443		172,147	4,170,165	
RB31	Residential Building 3.1	114		141,690	95.52	13,534,275		13,534,275	203,014	508,389	212,730		13,534	1,465,277	406,028	16,343,247	29,305,536
BR50	BR 5.0 (CB 3.1 to RB 3.2)			182	3,360.02	611,524		611,524	9,173				612		18,346	639,655	
CB30	Community Building 3.0			43,000	215.23	9,254,890		9,254,890	138,823	67,379	501,545		9,255		277,647	10,249,539	
RB32	Residential Building 3.2	87		103,852	98.39	10,218,028		10,218,028	153,270	409,128	239,632		10,218	1,165,015	306,541	12,501,832	23,300,295
RB33	Residential Building 3.3	109		121,000	98.39	11,905,190		11,905,190	178,578	499,906	175,697		11,905	1,382,835	357,156	14,511,266	27,656,695
RB34	Residential Building 3.4	93		103,936	101.34	10,532,874		10,532,874	157,993	450,231	138,785		10,533	1,196,333	315,986	12,802,735	23,926,663
EC20	Extended Care Phase 2		182	110,000	187.48	20,622,800		20,622,800	309,342	244,060	810,000		20,623	1,208,900	618,684	23,834,409	24,178,000
SW40	Sitework 4					0	1,648,488	1,648,488	24,727			0	1,648		49,455	1,724,318	
	Totals	1,071	318	2,151,563	26,845	241,316,551	19,339,869	260,656,420	3,909,876	7,592,321	7,050,653	2,000,000	260,660	20,220,169	8,165,580	309,677,680	404,403,385

Bank Of America - CD#13 - Control ID#1133

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NOVI CAMPUS, LLC

SCHEDULE OF ESTIMATED COMPLETION DATES

PREPARED: JANUARY 16, 2002

Project	Construction Start	Substantially Completed	Units
Masterplan	Jul-01		
Marketing Center Trailer	Jul-01	Oct-01	
Sitework 1	Mar-02	Jul-05	
Gatehouse 1	Jan-03	May-03	
Community Bldg 1.0/Pool	Jun-02	Jun-03	
Residential Building 1.1	Jun-02	Jun-03	103
Sitework 1B	Jan-00		
Residential Building 1.2	Oct-02	Oct-03	99
Off Sitework	Mar-02		
Residential Building 1.3	Apr-03	Mar-04	110
Parking Deck #1	Sep-04	Mar-05	
Residential Building 1.4	Sep-03	Sep-04	114
Residential Building 1.5	Apr-04	Mar-05	119
BR 1.0 (RB 1.2 to CB 1.0)	May-03	Oct-03	
BR 2.0 (RB 2.1 to CB 2.0)	Oct-05	Mar-06	
Sitework 2 (includes NH2)	Apr-04	Dec-07	
Parking Deck #2	Mar-06	Sep-06	
Residential Building 2.1	Sep-04	Sep-05	140
Extended Care Phase 1	Sep-05	Dec-06	136
BR 3.0 (RB 2.3 to ECC 1)	Jul-06	Dec-06	
Community Building 2.0	Mar-05	Mar-06	
Residential Building 2.2	May-05	Apr-06	100
Transitional Spaces	Apr-06	Jun-06	
Residential Building 2.3	Sep-05	Sep-06	116
Residential Building 2.4	Apr-06	Apr-07	102
Residential Building 2.5	Jul-06	Jul-07	91
Parking Deck #3	Sep-05	Mar-06	
Chapel	Oct-06	Aug-07	
Maintenance Building	Jul-06	Dec-06	
BR 6.0 (RB 3.2 to CB 3.0)	Apr-06	Sep-06	
BR 7.0 (CB 3.0 to RB 3.3)	Mar-08	Aug-08	
BR 8.0 (RB 3.3 to RB 3.4)	Sep-08	Feb-09	
BR 4.0 (RB 3.1 to RB 2.5)	May-07	Oct-07	
Sitework 3 (Includes NH3)	Oct-06	Jul-09	
Residential Building 3.1	Oct-06	Oct-07	114
BR 5.0 (CB 3.1 to RB 3.2)	Nov-07	Apr-08	
Community Building 3.0	Mar-07	Mar-08	
Residential Building 3.2	May-07	Apr-08	87
Residential Building 3.3	Aug-07	Aug-08	109
Residential Building 3.4	Mar-08	Feb-09	93
Extended Care Phase 2	Dec-08	Dec-09	182
Sitework 4	May-05	Feb-07	
Total			1815

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Jun-03

Residential Building 1.1		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	74,000	-	-
Efficiency	A3	Albright	91,000	-	-
Studio	B2	Abbott	113,000	-	-
Studio	B?	?	113,000	-	-
Studio	B4	Avalon	113,000	2	226,000
1 BR	C1	Brighton	156,000	22	3,432,000
1 BR	C5	Bradford	143,000	-	-
Large 1 BR	C2	Ellicott	180,000	-	-
Large 1 BR	C8	Dawson	179,000	2	358,000
Large 1 BR	C3	Dover	178,000	4	712,000
Large 1 BR	C4	Fremont	187,000	-	-
Large 1 BR	C7	Fenwick	171,000	2	342,000
Large 1 BR	C11	Easton	166,000	1	166,000
Large 1 BR	C12	?	192,000	-	-
Large 1 BR-1-1/2B	G10	Hamilton	211,000	3	633,000
1 BR & Den	D1	Georgetown	208,000	4	832,000
1 BR & Den	D2	Gilbert	208,000	4	832,000
1 BR & Den	D5	Glendale	208,000	-	-
1 BR & Den	D6	Gibson	208,000	4	832,000
2 BR-1B	E1	Flagstaff	196,000	3	588,000
2 BR-1B	E1m	Fallston	196,000	4	784,000
2 BR-1B	E2	Fairmont	207,000	7	1,449,000
2 BR-1B	E3	Franklin	218,000	-	-
2 BR-1B	G4	Harrison	218,000	8	1,744,000
2 BR-(1-1/2)B	E4	Hastings	242,000	7	1,694,000
1 BR-(1-1/2)B	H2	Heritage	208,000	-	-
2 BR-2B	F3	Kingston	275,000	5	1,375,000
2 BR-2B Large	F4	Manchester	315,000	10	3,150,000
2 BR-2B with Den	F6	Monterey	315,000	-	-
2 BR-2B with Den	F8	Worthington	315,000	-	-
2 BR-2B	G6	Jackson	275,000	6	1,650,000
2 BR-2B Large	H1	Lancaster	368,000	5	1,840,000
2 BR-2B Large	J3	Washington	376,000	-	-
Projected Deposits without Amenities				**103**	**22,639,000**
Total Amenities					**79,800**
Total Projected Deposits					**22,718,800**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Oct-03

Residential Building 1.2

		Unit Name	Deposit Per Unit	Number of Units	Amount of Deposits
Efficiency	A1	Addison	74,000	-	-
Efficiency	A3	Albright	91,000	1	91,000
Studio	B2	Abbott	113,000	-	-
Studio	B?	?	113,000	-	-
Studio	B4	Avalon	113,000	-	-
1 BR	C1	Brighton	156,000	17	2,652,000
1 BR	C5	Bradford	143,000	-	-
Large 1 BR	C2	Ellicott	180,000	-	-
Large 1 BR	C8	Dawson	179,000	2	358,000
Large 1 BR	C3	Dover	178,000	-	-
Large 1 BR	C4	Fremont	187,000	5	935,000
Large 1 BR	C7	Fenwick	171,000	-	-
Large 1 BR	C11	Easton	166,000	-	-
Large 1 BR	C12	?	192,000	-	-
Large 1 BR-1-1/2B	G10	Hamilton	211,000	5	1,055,000
1 BR & Den	D1	Georgetown	208,000	3	624,000
1 BR & Den	D2	Gilbert	208,000	3	624,000
1 BR & Den	D5	Glendale	208,000	-	-
1 BR & Den	D6	Gibson	208,000	-	-
2 BR-1B	E1	Flagstaff	196,000	10	1,960,000
2 BR-1B	E1m	Fallston	196,000	-	-
2 BR-1B	E2	Fairmont	207,000	8	1,656,000
2 BR-1B	E3	Franklin	218,000	-	-
2 BR-1B	G4	Harrison	218,000	7	1,526,000
2 BR-(1-1/2)B	E4	Hastings	242,000	5	1,210,000
1 BR-(1-1/2)B	H2	Heritage	208,000	-	-
2 BR-2B	F3	Kingston	275,000	10	2,750,000
2 BR-2B Large	F4	Manchester	315,000	10	3,150,000
2 BR-2B with Den	F6	Monterey	315,000	-	-
2 BR-2B with Den	F8	Worthington	315,000	-	-
2 BR-2B	G6	Jackson	275,000	8	2,200,000
2 BR-2B Large	H1	Lancaster	368,000	5	1,840,000
2 BR-2B Large	J3	Washington	376,000	-	-
Projected Deposits without Amenities				**99**	**22,631,000**
Total Amenities					**77,280**
Total Projected Deposits					**22,708,280**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Mar-04

Residential Building 1.3		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	76,220	-	-
Efficiency	A3	Albright	93,730	-	-
Studio	B2	Abbott	116,390	-	-
Studio	B?	?	116,390	-	-
Studio	B4	Avalon	116,390	-	-
1 BR	C1	Brighton	160,680	18	2,892,240
1 BR	C5	Bradford	147,290	-	-
Large 1 BR	C2	Ellicott	185,400	-	-
Large 1 BR	C8	Dawson	184,370	2	368,740
Large 1 BR	C3	Dover	183,340	5	916,700
Large 1 BR	C4	Fremont	192,610	6	1,155,660
Large 1 BR	C7	Fenwick	176,130	-	-
Large 1 BR	C11	Easton	170,980	-	-
Large 1 BR	C12	?	197,760	-	-
Large 1 BR-1-1/2B	G10	Hamilton	217,330	5	1,086,650
1 BR & Den	D1	Georgetown	214,240	5	1,071,200
1 BR & Den	D2	Gilbert	214,240	4	856,960
1 BR & Den	D5	Glendale	214,240	-	-
1 BR & Den	D6	Gibson	214,240	6	1,285,440
2 BR-1B	E1	Flagstaff	201,880	11	2,220,680
2 BR-1B	E1m	Fallston	201,880	6	1,211,280
2 BR-1B	E2	Fairmont	213,210	10	2,132,100
2 BR-1B	E3	Franklin	224,540	-	-
2 BR-1B	G4	Harrison	224,540	10	2,245,400
2 BR-(1-1/2)B	E4	Hastings	249,260	5	1,246,300
1 BR-(1-1/2)B	H2	Heritage	214,240	-	-
2 BR-2B	F3	Kingston	283,250	5	1,416,250
2 BR-2B Large	F4	Manchester	324,450	-	-
2 BR-2B with Den	F6	Monterey	324,450	-	-
2 BR-2B with Den	F8	Worthington	324,450	-	-
2 BR-2B	G6	Jackson	283,250	6	1,699,500
2 BR-2B Large	H1	Lancaster	379,040	6	2,274,240
2 BR-2B Large	J3	Washington	387,280	-	-
Projected Deposits without Amenities				**110**	**24,079,340**
Total Amenities					**84,000**
Total Projected Deposits					**24,163,340**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Sep-04

Residential Building 1.4		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	76,220	-	-
Efficiency	A3	Albright	93,730	1	93,730
Studio	B2	Abbott	116,390	-	-
Studio	B?	?	116,390	-	-
Studio	B4	Avalon	116,390	-	-
1 BR	C1	Brighton	160,680	15	2,410,200
1 BR	C5	Bradford	147,290	-	-
Large 1 BR	C2	Ellicott	185,400	2	370,800
Large 1 BR	C8	Dawson	184,370	2	368,740
Large 1 BR	C3	Dover	183,340	-	-
Large 1 BR	C4	Fremont	192,610	11	2,118,710
Large 1 BR	C7	Fenwick	176,130	1	176,130
Large 1 BR	C11	Easton	170,980	-	-
Large 1 BR	C12	?	197,760	-	-
Large 1 BR-1-1/2B	G10	Hamilton	217,330	4	869,320
1 BR & Den	D1	Georgetown	214,240	5	1,071,200
1 BR & Den	D2	Gilbert	214,240	-	-
1 BR & Den	D5	Glendale	214,240	-	-
1 BR & Den	D6	Gibson	214,240	5	1,071,200
2 BR-1B	E1	Flagstaff	201,880	11	2,220,680
2 BR-1B	E1m	Fallston	201,880	5	1,009,400
2 BR-1B	E2	Fairmont	213,210	9	1,918,890
2 BR-1B	E3	Franklin	224,540	4	898,160
2 BR-1B	G4	Harrison	224,540	6	1,347,240
2 BR-(1-1/2)B	E4	Hastings	249,260	7	1,744,820
1 BR-(1-1/2)B	H2	Heritage	214,240	-	-
2 BR-2B	F3	Kingston	283,250	5	1,416,250
2 BR-2B Large	F4	Manchester	324,450	-	-
2 BR-2B with Den	F6	Monterey	324,450	-	-
2 BR-2B with Den	F8	Worthington	324,450	5	1,622,250
2 BR-2B	G6	Jackson	283,250	11	3,115,750
2 BR-2B Large	H1	Lancaster	379,040	5	1,895,200
2 BR-2B Large	J3	Washington	387,280	-	-
Projected Deposits without Amenities				**114**	**25,738,670**
Total Amenities					**89,040**
Total Projected Deposits					**25,827,710**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Mar-05

Residential Building 1.5

		Unit Name	Deposit Per Unit	Number of Units	Amount of Deposits
Efficiency	A1	Addison	78,507	-	-
Efficiency	A3	Albright	96,542	-	-
Studio	B2	Abbott	119,882	-	-
Studio	B?	?	119,882	-	-
Studio	B4	Avalon	119,882	2	239,763
1 BR	C1	Brighton	165,500	21	3,475,508
1 BR	C5	Bradford	151,709	-	-
Large 1 BR	C2	Ellicott	190,962	-	-
Large 1 BR	C8	Dawson	189,901	2	379,802
Large 1 BR	C3	Dover	188,840	-	-
Large 1 BR	C4	Fremont	198,388	5	991,942
Large 1 BR	C7	Fenwick	181,414	-	-
Large 1 BR	C11	Easton	176,109	-	-
Large 1 BR	C12	?	203,693	-	-
Large 1 BR-1-1/2B	G10	Hamilton	223,850	6	1,343,099
1 BR & Den	D1	Georgetown	220,667	6	1,324,003
1 BR & Den	D2	Gilbert	220,667	5	1,103,336
1 BR & Den	D5	Glendale	220,667	-	-
1 BR & Den	D6	Gibson	220,667	5	1,103,336
2 BR-1B	E1	Flagstaff	207,936	5	1,039,682
2 BR-1B	E1m	Fallston	207,936	5	1,039,682
2 BR-1B	E2	Fairmont	219,606	9	1,976,457
2 BR-1B	E3	Franklin	231,276	6	1,387,657
2 BR-1B	G4	Harrison	231,276	8	1,850,210
2 BR-(1-1/2)B	E4	Hastings	256,738	11	2,824,116
1 BR-(1-1/2)B	H2	Heritage	220,667	1	220,667
2 BR-2B	F3	Kingston	291,748	11	3,209,223
2 BR-2B Large	F4	Manchester	334,184	-	-
2 BR-2B with Den	F6	Monterey	334,184	-	-
2 BR-2B with Den	F8	Worthington	334,184	-	-
2 BR-2B	G6	Jackson	291,748	8	2,333,980
2 BR-2B Large	H1	Lancaster	390,411	3	1,171,234
2 BR-2B Large	J3	Washington	398,898	-	-
Projected Deposits without Amenities				**119**	**27,013,697**
Total Amenities					**93,240**
Total Projected Deposits					**27,106,937**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Sep-05

Residential Building 2.1		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	78,507	-	-
Efficiency	A3	Albright	96,542	-	-
Studio	B2	Abbott	119,882	-	-
Studio	B?	?	119,882	-	-
Studio	B4	Avalon	119,882	1	119,882
1 BR	C1	Brighton	165,500	22	3,641,009
1 BR	C5	Bradford	151,709	-	-
Large 1 BR	C2	Ellicott	190,962	-	-
Large 1 BR	C8	Dawson	189,901	2	379,802
Large 1 BR	C3	Dover	188,840	5	944,201
Large 1 BR	C4	Fremont	198,388	10	1,983,883
Large 1 BR	C7	Fenwick	181,414	2	362,828
Large 1 BR	C11	Easton	176,109	6	1,056,656
Large 1 BR	C12	?	203,693	-	-
Large 1 BR-1-1/2B	G10	Hamilton	223,850	-	-
1 BR & Den	D1	Georgetown	220,667	4	882,669
1 BR & Den	D2	Gilbert	220,667	4	882,669
1 BR & Den	D5	Glendale	220,667	-	-
1 BR & Den	D6	Gibson	220,667	11	2,427,339
2 BR-1B	E1	Flagstaff	207,936	5	1,039,682
2 BR-1B	E1m	Fallston	207,936	11	2,287,300
2 BR-1B	E2	Fairmont	219,606	9	1,976,457
2 BR-1B	E3	Franklin	231,276	5	1,156,381
2 BR-1B	G4	Harrison	231,276	1	231,276
2 BR-(1-1/2)B	E4	Hastings	256,738	12	3,080,854
1 BR-(1-1/2)B	H2	Heritage	220,667	-	-
2 BR-2B	F3	Kingston	291,748	6	1,750,485
2 BR-2B Large	F4	Manchester	334,184	-	-
2 BR-2B with Den	F6	Monterey	334,184	-	-
2 BR-2B with Den	F8	Worthington	334,184	-	-
2 BR-2B	G6	Jackson	291,748	18	5,251,455
2 BR-2B Large	H1	Lancaster	390,411	6	2,342,467
2 BR-2B Large	J3	Washington	398,898	-	-
Projected Deposits without Amenities				**140**	**31,797,295**
Total Amenities					**116,760**
Total Projected Deposits					**31,914,055**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Apr-06

Residential Building 2.2		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	80,862	-	-
Efficiency	A3	Albright	99,438	1	99,438
Studio	B2	Abbott	123,478	5	617,391
Studio	B?	?	123,478	-	-
Studio	B4	Avalon	123,478	-	-
1 BR	C1	Brighton	170,465	15	2,556,981
1 BR	C5	Bradford	156,260	-	-
Large 1 BR	C2	Ellicott	196,691	-	-
Large 1 BR	C8	Dawson	195,598	1	195,598
Large 1 BR	C3	Dover	194,505	5	972,527
Large 1 BR	C4	Fremont	204,340	-	-
Large 1 BR	C7	Fenwick	186,856	1	186,856
Large 1 BR	C11	Easton	181,393	-	-
Large 1 BR	C12	?	209,804	-	-
Large 1 BR-1-1/2B	G10	Hamilton	230,565	-	-
1 BR & Den	D1	Georgetown	227,287	-	-
1 BR & Den	D2	Gilbert	227,287	-	-
1 BR & Den	D5	Glendale	227,287	5	1,136,436
1 BR & Den	D6	Gibson	227,287	5	1,136,436
2 BR-1B	E1	Flagstaff	214,174	-	-
2 BR-1B	E1m	Fallston	214,174	5	1,070,872
2 BR-1B	E2	Fairmont	226,194	4	904,778
2 BR-1B	E3	Franklin	238,214	-	-
2 BR-1B	G4	Harrison	238,214	9	2,143,930
2 BR-(1-1/2)B	E4	Hastings	264,440	10	2,644,399
1 BR-(1-1/2)B	H2	Heritage	227,287	-	-
2 BR-2B	F3	Kingston	300,500	5	1,502,500
2 BR-2B Large	F4	Manchester	344,209	10	3,442,090
2 BR-2B with Den	F6	Monterey	344,209	-	-
2 BR-2B with Den	F8	Worthington	344,209	4	1,376,836
2 BR-2B	G6	Jackson	300,500	10	3,004,999
2 BR-2B Large	H1	Lancaster	402,124	5	2,010,618
2 BR-2B Large	J3	Washington	410,865	-	-
Projected Deposits without Amenities				**100**	**25,002,686**
Total Amenities					**76,440**
Total Projected Deposits					**25,079,126**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Sep-06

Residential Building 2.3		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	80,862	-	-
Efficiency	A3	Albright	99,438	-	-
Studio	B2	Abbott	123,478	-	-
Studio	B?	?	123,478	1	123,478
Studio	B4	Avalon	123,478	-	-
1 BR	C1	Brighton	170,465	12	2,045,585
1 BR	C5	Bradford	156,260	6	937,560
Large 1 BR	C2	Ellicott	196,691	1	196,691
Large 1 BR	C8	Dawson	195,598	1	195,598
Large 1 BR	C3	Dover	194,505	-	-
Large 1 BR	C4	Fremont	204,340	5	1,021,700
Large 1 BR	C7	Fenwick	186,856	-	-
Large 1 BR	C11	Easton	181,393	1	181,393
Large 1 BR	C12	?	209,804	5	1,049,018
Large 1 BR-1-1/2B	G10	Hamilton	230,565	4	922,262
1 BR & Den	D1	Georgetown	227,287	5	1,136,436
1 BR & Den	D2	Gilbert	227,287	-	-
1 BR & Den	D5	Glendale	227,287	-	-
1 BR & Den	D6	Gibson	227,287	5	1,136,436
2 BR-1B	E1	Flagstaff	214,174	5	1,070,872
2 BR-1B	E1m	Fallston	214,174	5	1,070,872
2 BR-1B	E2	Fairmont	226,194	5	1,130,972
2 BR-1B	E3	Franklin	238,214	4	952,858
2 BR-1B	G4	Harrison	238,214	7	1,667,501
2 BR-(1-1/2)B	E4	Hastings	264,440	16	4,231,039
1 BR-(1-1/2)B	H2	Heritage	227,287	1	227,287
2 BR-2B	F3	Kingston	300,500	-	-
2 BR-2B Large	F4	Manchester	344,209	12	4,130,508
2 BR-2B with Den	F6	Monterey	344,209	-	-
2 BR-2B with Den	F8	Worthington	344,209	5	1,721,045
2 BR-2B	G6	Jackson	300,500	-	-
2 BR-2B Large	H1	Lancaster	402,124	4	1,608,494
2 BR-2B Large	J3	Washington	410,865	6	2,465,192
Projected Deposits without Amenities				**116**	**29,222,798**
Total Amenities					**90,720**
Total Projected Deposits					**29,313,518**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Apr-07

Residential Building 2.4		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	83,288	-	-
Efficiency	A3	Albright	102,421	-	-
Studio	B2	Abbott	127,182	-	-
Studio	B?	?	127,182	-	-
Studio	B4	Avalon	127,182	4	508,730
1 BR	C1	Brighton	175,579	19	3,336,008
1 BR	C5	Bradford	160,948	6	965,687
Large 1 BR	C2	Ellicott	202,592	-	-
Large 1 BR	C8	Dawson	201,466	2	402,932
Large 1 BR	C3	Dover	200,341	-	-
Large 1 BR	C4	Fremont	210,470	5	1,052,351
Large 1 BR	C7	Fenwick	192,462	-	-
Large 1 BR	C11	Easton	186,834	-	-
Large 1 BR	C12	?	216,098	-	-
Large 1 BR-1-1/2B	G10	Hamilton	237,482	-	-
1 BR & Den	D1	Georgetown	234,106	4	936,423
1 BR & Den	D2	Gilbert	234,106	4	936,423
1 BR & Den	D5	Glendale	234,106	-	-
1 BR & Den	D6	Gibson	234,106	5	1,170,529
2 BR-1B	E1	Flagstaff	220,600	-	-
2 BR-1B	E1m	Fallston	220,600	5	1,102,999
2 BR-1B	E2	Fairmont	232,980	10	2,329,803
2 BR-1B	E3	Franklin	245,361	5	1,226,805
2 BR-1B	G4	Harrison	245,361	3	736,083
2 BR-(1-1/2)B	E4	Hastings	272,373	5	1,361,866
1 BR-(1-1/2)B	H2	Heritage	234,106	-	-
2 BR-2B	F3	Kingston	309,515	6	1,857,090
2 BR-2B Large	F4	Manchester	354,535	-	-
2 BR-2B with Den	F6	Monterey	354,535	-	-
2 BR-2B with Den	F8	Worthington	354,535	-	-
2 BR-2B	G6	Jackson	309,515	8	2,476,119
2 BR-2B Large	H1	Lancaster	414,187	5	2,070,936
2 BR-2B Large	J3	Washington	423,191	6	2,539,148
Projected Deposits without Amenities				**102**	**25,009,931**
Total Amenities					**83,160**
Total Projected Deposits					**25,093,091**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Jul-07

Residential Building 2.5		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	83,288	-	-
Efficiency	A3	Albright	102,421	-	-
Studio	B2	Abbott	127,182	-	-
Studio	B?	?	127,182	-	-
Studio	B4	Avalon	127,182	1	127,182
1 BR	C1	Brighton	175,579	18	3,160,429
1 BR	C5	Bradford	160,948	-	-
Large 1 BR	C2	Ellicott	202,592	-	-
Large 1 BR	C8	Dawson	201,466	1	201,466
Large 1 BR	C3	Dover	200,341	4	801,362
Large 1 BR	C4	Fremont	210,470	5	1,052,351
Large 1 BR	C7	Fenwick	192,462	-	-
Large 1 BR	C11	Easton	186,834	-	-
Large 1 BR	C12	?	216,098	-	-
Large 1 BR-1-1/2B	G10	Hamilton	237,482	-	-
1 BR & Den	D1	Georgetown	234,106	4	936,423
1 BR & Den	D2	Gilbert	234,106	3	702,317
1 BR & Den	D5	Glendale	234,106	-	-
1 BR & Den	D6	Gibson	234,106	5	1,170,529
2 BR-1B	E1	Flagstaff	220,600	5	1,102,999
2 BR-1B	E1m	Fallston	220,600	5	1,102,999
2 BR-1B	E2	Fairmont	232,980	3	698,941
2 BR-1B	E3	Franklin	245,361	-	-
2 BR-1B	G4	Harrison	245,361	9	2,208,248
2 BR-(1-1/2)B	E4	Hastings	272,373	4	1,089,493
1 BR-(1-1/2)B	H2	Heritage	234,106	-	-
2 BR-2B	F3	Kingston	309,515	10	3,095,149
2 BR-2B Large	F4	Manchester	354,535	-	-
2 BR-2B with Den	F6	Monterey	354,535	-	-
2 BR-2B with Den	F8	Worthington	354,535	-	-
2 BR-2B	G6	Jackson	309,515	9	2,785,634
2 BR-2B Large	H1	Lancaster	414,187	5	2,070,936
2 BR-2B Large	J3	Washington	423,191	-	-
Projected Deposits without Amenities				**91**	**22,306,459**
Total Amenities					**68,880**
Total Projected Deposits					**22,375,339**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Oct-07

Residential Building 3.1		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	83,288	-	-
Efficiency	A3	Albright	102,421	-	-
Studio	B2	Abbott	127,182	-	-
Studio	B?	?	127,182	-	-
Studio	B4	Avalon	127,182	-	-
1 BR	C1	Brighton	175,579	17	2,984,849
1 BR	C5	Bradford	160,948	4	643,791
Large 1 BR	C2	Ellicott	202,592	-	-
Large 1 BR	C8	Dawson	201,466	2	402,932
Large 1 BR	C3	Dover	200,341	-	-
Large 1 BR	C4	Fremont	210,470	11	2,315,172
Large 1 BR	C7	Fenwick	192,462	2	384,924
Large 1 BR	C11	Easton	186,834	-	-
Large 1 BR	C12	?	216,098	-	-
Large 1 BR-1-1/2B	G10	Hamilton	237,482	-	-
1 BR & Den	D1	Georgetown	234,106	5	1,170,529
1 BR & Den	D2	Gilbert	234,106	5	1,170,529
1 BR & Den	D5	Glendale	234,106	-	-
1 BR & Den	D6	Gibson	234,106	5	1,170,529
2 BR-1B	E1	Flagstaff	220,600	11	2,426,597
2 BR-1B	E1m	Fallston	220,600	5	1,102,999
2 BR-1B	E2	Fairmont	232,980	8	1,863,843
2 BR-1B	E3	Franklin	245,361	-	-
2 BR-1B	G4	Harrison	245,361	2	490,722
2 BR-(1-1/2)B	E4	Hastings	272,373	-	-
1 BR-(1-1/2)B	H2	Heritage	234,106	-	-
2 BR-2B	F3	Kingston	309,515	6	1,857,090
2 BR-2B Large	F4	Manchester	354,535	12	4,254,423
2 BR-2B with Den	F6	Monterey	354,535	-	-
2 BR-2B with Den	F8	Worthington	354,535	-	-
2 BR-2B	G6	Jackson	309,515	9	2,785,634
2 BR-2B Large	H1	Lancaster	414,187	5	2,070,936
2 BR-2B Large	J3	Washington	423,191	5	2,115,957
Projected Deposits without Amenities				**114**	**29,211,456**
Total Amenities					**94,080**
Total Projected Deposits					**29,305,536**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Apr-08

Residential Building 3.2		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	85,786	-	-
Efficiency	A3	Albright	105,494	-	-
Studio	B2	Abbott	130,998	-	-
Studio	B?	?	130,998	-	-
Studio	B4	Avalon	130,998	-	-
1 BR	C1	Brighton	180,847	7	1,265,927
1 BR	C5	Bradford	165,776	4	663,105
Large 1 BR	C2	Ellicott	208,669	-	-
Large 1 BR	C8	Dawson	207,510	1	207,510
Large 1 BR	C3	Dover	206,351	5	1,031,754
Large 1 BR	C4	Fremont	216,784	5	1,083,921
Large 1 BR	C7	Fenwick	198,236	2	396,472
Large 1 BR	C11	Easton	192,439	-	-
Large 1 BR	C12	?	222,581	-	-
Large 1 BR-1-1/2B	G10	Hamilton	244,607	-	-
1 BR & Den	D1	Georgetown	241,129	4	964,516
1 BR & Den	D2	Gilbert	241,129	4	964,516
1 BR & Den	D5	Glendale	241,129	-	-
1 BR & Den	D6	Gibson	241,129	5	1,205,645
2 BR-1B	E1	Flagstaff	227,218	5	1,136,089
2 BR-1B	E1m	Fallston	227,218	5	1,136,089
2 BR-1B	E2	Fairmont	239,970	4	959,879
2 BR-1B	E3	Franklin	252,722	-	-
2 BR-1B	G4	Harrison	252,722	-	-
2 BR-(1-1/2)B	E4	Hastings	280,544	11	3,085,988
1 BR-(1-1/2)B	H2	Heritage	241,129	-	-
2 BR-2B	F3	Kingston	318,800	5	1,594,002
2 BR-2B Large	F4	Manchester	365,171	-	-
2 BR-2B with Den	F6	Monterey	365,171	3	1,095,514
2 BR-2B with Den	F8	Worthington	365,171	-	-
2 BR-2B	G6	Jackson	318,800	8	2,550,403
2 BR-2B Large	H1	Lancaster	426,613	4	1,706,451
2 BR-2B Large	J3	Washington	435,887	5	2,179,435
Projected Deposits without Amenities				**87**	**23,227,215**
Total Amenities					**73,080**
Total Projected Deposits					**23,300,295**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Aug-08

Residential Building 3.3		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	85,786	-	-
Efficiency	A3	Albright	105,494	-	-
Studio	B2	Abbott	130,998	-	-
Studio	B?	?	130,998	-	-
Studio	B4	Avalon	130,998	-	-
1 BR	C1	Brighton	180,847	18	3,255,242
1 BR	C5	Bradford	165,776	-	-
Large 1 BR	C2	Ellicott	208,669	1	208,669
Large 1 BR	C8	Dawson	207,510	2	415,020
Large 1 BR	C3	Dover	206,351	5	1,031,754
Large 1 BR	C4	Fremont	216,784	5	1,083,921
Large 1 BR	C7	Fenwick	198,236	-	-
Large 1 BR	C11	Easton	192,439	1	192,439
Large 1 BR	C12	?	222,581	-	-
Large 1 BR-1-1/2B	G10	Hamilton	244,607	4	978,427
1 BR & Den	D1	Georgetown	241,129	3	723,387
1 BR & Den	D2	Gilbert	241,129	3	723,387
1 BR & Den	D5	Glendale	241,129	-	-
1 BR & Den	D6	Gibson	241,129	5	1,205,645
2 BR-1B	E1	Flagstaff	227,218	5	1,136,089
2 BR-1B	E1m	Fallston	227,218	5	1,136,089
2 BR-1B	E2	Fairmont	239,970	8	1,919,758
2 BR-1B	E3	Franklin	252,722	4	1,010,887
2 BR-1B	G4	Harrison	252,722	6	1,516,330
2 BR-(1-1/2)B	E4	Hastings	280,544	9	2,524,899
1 BR-(1-1/2)B	H2	Heritage	241,129	-	-
2 BR-2B	F3	Kingston	318,800	10	3,188,004
2 BR-2B Large	F4	Manchester	365,171	-	-
2 BR-2B with Den	F6	Monterey	365,171	-	-
2 BR-2B with Den	F8	Worthington	365,171	-	-
2 BR-2B	G6	Jackson	318,800	10	3,188,004
2 BR-2B Large	H1	Lancaster	426,613	5	2,133,064
2 BR-2B Large	J3	Washington	435,887	-	-
Projected Deposits without Amenities				**109**	**27,571,015**
Total Amenities					**85,680**
Total Projected Deposits					**27,656,695**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Feb-09

Residential Building 3.4

		Unit Name	Deposit Per Unit	Number of Units	Amount of Deposits
Efficiency	A1	Addison	88,360	1	88,360
Efficiency	A3	Albright	108,659	-	-
Studio	B2	Abbott	134,928	-	-
Studio	B?	?	134,928	-	-
Studio	B4	Avalon	134,928	1	134,928
1 BR	C1	Brighton	186,272	15	2,794,082
1 BR	C5	Bradford	170,749	-	-
Large 1 BR	C2	Ellicott	214,929	-	-
Large 1 BR	C8	Dawson	213,735	2	427,471
Large 1 BR	C3	Dover	212,541	5	1,062,707
Large 1 BR	C4	Fremont	223,288	5	1,116,439
Large 1 BR	C7	Fenwick	204,183	-	-
Large 1 BR	C11	Easton	198,213	-	-
Large 1 BR	C12	?	229,258	-	-
Large 1 BR-1-1/2B	G10	Hamilton	251,945	5	1,259,725
1 BR & Den	D1	Georgetown	248,363	3	745,089
1 BR & Den	D2	Gilbert	248,363	-	-
1 BR & Den	D5	Glendale	248,363	-	-
1 BR & Den	D6	Gibson	248,363	5	1,241,814
2 BR-1B	E1	Flagstaff	234,034	5	1,170,171
2 BR-1B	E1m	Fallston	234,034	5	1,170,171
2 BR-1B	E2	Fairmont	247,169	8	1,977,351
2 BR-1B	E3	Franklin	260,303	5	1,301,517
2 BR-1B	G4	Harrison	260,303	5	1,301,517
2 BR-(1-1/2)B	E4	Hastings	288,961	6	1,733,764
1 BR-(1-1/2)B	H2	Heritage	248,363	-	-
2 BR-2B	F3	Kingston	328,364	-	-
2 BR-2B Large	F4	Manchester	376,126	-	-
2 BR-2B with Den	F6	Monterey	376,126	-	-
2 BR-2B with Den	F8	Worthington	376,126	4	1,504,506
2 BR-2B	G6	Jackson	328,364	8	2,626,915
2 BR-2B Large	H1	Lancaster	439,411	5	2,197,056
2 BR-2B Large	J3	Washington	448,964	-	-
Projected Deposits without Amenities				**93**	**23,853,583**
Total Amenities					**73,080**
Total Projected Deposits					**23,926,663**

Novi Campus, LLC- Development Agreement
Development Plan - Phases I,II and III Projected Cash Flow

For the Period 2001 - 2010

	Phase I Proforma Project Totals	Phase II Proforma Project Totals	Phase III Proforma Project Totals	Phase I,II,III Proforma Project Totals
Net Rent	782,657	1,990,219	19,555,124	22,328,000
Entrance deposits	122,525,067	138,656,477	143,221,841	404,403,385
Total Funds	123,307,724	140,646,696	162,776,965	426,731,385
Hard Construction Costs	77,292,155	99,425,338	87,850,507	264,568,000
Architecture	4,376,492	420,606	2,253,902	7,051,000
Engineering	954,167	1,045,833	-	2,000,000
Fees, permits	2,659,518	2,724,168	2,208,314	7,592,000
Builders risk	76,151	97,956	86,893	261,000
Contingency (3% of hard costs)	2,456,719	3,063,427	2,615,854	8,136,000
Development fees (5% of entrance deposits)	5,448,580	6,919,903	7,851,517	20,220,000
Total direct costs	93,263,782	113,697,231	102,866,987	309,828,000
Direct Margin (excluding Financing & Indirect costs)	30,043,942	26,949,465	59,909,978	116,903,385
Indirect Costs				
Departmental costs	19,469,960	9,082,865	7,483,175	36,036,000
Land	12,400,000	-	-	12,400,000
Property taxes (land only)	540,691	154,483	(174)	695,000
FF&E/ Rental (Marketing Center)	250,000	-	-	250,000
Interest expense (Construction loan 9%)	8,925,123	7,923,760	4,158,117	21,007,000
Financing costs/Legal	1,994,000	456,000	92,000	2,542,000
Working Capital Loan to Community/Repayment	10,528,137	4,601,235	(15,129,372)	-
Interest on Working Capital	-	-	(10,199,000)	(10,199,000)
Total Indirect Costs	54,107,911	22,218,343	(13,595,254)	62,731,000
Total Costs	147,371,693	135,915,574	89,271,733	372,559,000
Project Margin Cash	(24,063,969)	4,731,122	73,505,232	54,172,385
Project Margin Cumulative Cash	(24,063,969)	(19,332,847)	54,172,385	54,172,385
SCL Equity Contribution:	17,000,000	17,000,000		
Cash Available	(7,063,969)	(2,332,847)	54,172,385	

Phase I
Master Plan through RB 1.5
Assumed RB 1.5 will be full deposited.

Phase 2
Sitework II through Maintenance Building
Assumed RB 2.5 will be full deposited.

Phase 3
Sitework III through Extended Care Phase II
Assumed RB 3.4 will be full deposited.

Bank Of America - CD#13 - Control ID#1133

Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04
			Absorp rate/mo	20	20	15	15	8	7	5	2
RB 1.1	103	220,571	Units	20	40	55	70	78	85	90	92
			Absorp rate/mo	0	0	0	0	20	14	8	5
RB 1.2	99	229,377	Units	0	0	0	0	20	34	42	47
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.4	114	226,559	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.5	119	227,789	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.4	102	246,011	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	20	20	15	15	28	21	13	7
Totals	1,497	240,808	Units occ.	20	40	55	70	98	119	132	139

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Novi Campus, LLC
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Bldg	No. of Units	Avg Dep/unit		Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04
RB 1.1	103	220,571	Absorp rate/mo	2	2	2	2	2	1	0	0
			Units	94	96	98	100	102	103	103	103
RB 1.2	99	229,377	Absorp rate/mo	8	10	12	12	6	2	1	1
			Units	55	65	77	89	95	97	98	99
RB 1.3	110	219,667	Absorp rate/mo	0	20	20	15	15	10	10	10
			Units	0	20	40	55	70	80	90	100
RB 1.4	114	226,559	Absorp rate/mo	0	0	0	0	0	0	0	20
			Units	0	0	0	0	0	0	0	20
RB 1.5	119	227,789	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 2.4	102	246,011	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
Totals	1,497	240,808	Absorp rate/mo	10	32	34	29	23	13	11	31
			Units occ.	**149**	**181**	**215**	**244**	**267**	**280**	**291**	**322**

Novi Campus, LLC
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Bldg	No. of Units	Avg Dep/unit		Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	6	2	1	1	0	0	0	0
RB 1.3	110	219,667	Units	106	108	109	110	110	110	110	110
			Absorp rate/mo	20	15	8	5	8	10	10	7
RB 1.4	114	226,559	Units	40	55	63	68	76	86	96	103
			Absorp rate/mo	0	0	0	0	0	20	20	15
RB 1.5	119	227,789	Units	0	0	0	0	0	20	40	55
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.4	102	246,011	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	26	17	9	6	8	30	30	22
Totals	1,497	240,808	Units occ.	348	365	374	380	388	418	448	470

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Bldg	No. of Units	Avg Dep/unit		Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	110	110	110	110	110	110	110	110
			Absorp rate/mo	4	2	2	2	1	0	0	0
RB 1.4	114	226,559	Units	107	109	111	113	114	114	114	114
			Absorp rate/mo	15	10	8	8	8	5	3	3
RB 1.5	119	227,789	Units	70	80	88	96	104	109	112	115
			Absorp rate/mo	0	0	0	20	20	15	8	5
RB 2.1	140	227,958	Units	0	0	0	20	40	55	63	68
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.4	102	246,011	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	19	12	10	30	29	20	11	8
Totals	**1,497**	240,808	Units occ.	**489**	**501**	**511**	**541**	**570**	**590**	**601**	**609**

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Bldg	No. of Units	Avg Dep/unit		Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	110	110	110	110	110	110	110	110
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.4	114	226,559	Units	114	114	114	114	114	114	114	114
			Absorp rate/mo	2	2	0	0	0	0	0	0
RB 1.5	119	227,789	Units	117	119	119	119	119	119	119	119
			Absorp rate/mo	5	15	15	10	10	5	5	2
RB 2.1	140	227,958	Units	73	88	103	113	123	128	133	135
			Absorp rate/mo	0	0	20	20	15	13	10	10
RB 2.2	100	250,791	Units	0	0	20	40	55	68	78	88
			Absorp rate/mo	0	0	0	0	0	0	0	20
RB 2.3	116	252,703	Units	0	0	0	0	0	0	0	20
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.4	102	246,011	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	7	17	35	30	25	18	15	32
Totals	**1,497**	240,808	Units occ.	**616**	**633**	**668**	**698**	**723**	**741**	**756**	**788**

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Bldg	No. of Units	Avg Dep/unit		Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	110	110	110	110	110	110	110	110
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.4	114	226,559	Units	114	114	114	114	114	114	114	114
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.5	119	227,789	Units	119	119	119	119	119	119	119	119
			Absorp rate/mo	2	2	1	0	0	0	0	0
RB 2.1	140	227,958	Units	137	139	140	140	140	140	140	140
			Absorp rate/mo	5	2	2	2	1	0	0	0
RB 2.2	100	250,791	Units	93	95	97	99	100	100	100	100
			Absorp rate/mo	20	12	5	5	5	10	10	8
RB 2.3	116	252,703	Units	40	52	57	62	67	77	87	95
			Absorp rate/mo	0	0	0	0	0	0	20	20
RB 2.4	102	246,011	Units	0	0	0	0	0	0	20	40
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	27	16	8	7	6	10	30	28
Totals	**1,497**	240,808	Units occ.	**815**	**831**	**839**	**846**	**852**	**862**	**892**	**920**

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Bldg	No. of Units	Avg Dep/unit		Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	110	110	110	110	110	110	110	110
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.4	114	226,559	Units	114	114	114	114	114	114	114	114
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.5	119	227,789	Units	119	119	119	119	119	119	119	119
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Units	140	140	140	140	140	140	140	140
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	100	100	100	100	100	100	100	100
			Absorp rate/mo	8	5	2	2	2	1	1	0
RB 2.3	116	252,703	Units	103	108	110	112	114	115	116	116
			Absorp rate/mo	15	15	8	5	4	4	4	4
RB 2.4	102	246,011	Units	55	70	78	83	87	91	95	99
			Absorp rate/mo	0	20	20	15	8	5	5	5
RB 2.5	91	245,883	Units	0	20	40	55	63	68	73	78
			Absorp rate/mo	0	0	0	0	15	15	8	5
RB 3.1	114	257,066	Units	0	0	0	0	15	30	38	43
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	23	40	30	22	29	25	18	14
Totals	**1,497**	240,808	Units occ.	**943**	**983**	**1,013**	**1,035**	**1,064**	**1,089**	**1,107**	**1,121**

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Novi Campus, LLC
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Bldg	No. of Units	Avg Dep/unit		Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	110	110	110	110	110	110	110	110
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.4	114	226,559	Units	114	114	114	114	114	114	114	114
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.5	119	227,789	Units	119	119	119	119	119	119	119	119
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Units	140	140	140	140	140	140	140	140
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	100	100	100	100	100	100	100	100
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Units	116	116	116	116	116	116	116	116
			Absorp rate/mo	2	1	0	0	0	0	0	0
RB 2.4	102	246,011	Units	101	102	102	102	102	102	102	102
			Absorp rate/mo	5	4	2	1	1	0	0	0
RB 2.5	91	245,883	Units	83	87	89	90	91	91	91	91
			Absorp rate/mo	8	10	10	10	10	8	5	5
RB 3.1	114	257,066	Units	51	61	71	81	91	99	104	109
			Absorp rate/mo	0	0	20	15	12	10	8	5
RB 3.2	87	267,819	Units	0	0	20	35	47	57	65	70
			Absorp rate/mo	0	0	0	0	0	0	10	20
RB 3.3	109	253,731	Units	0	0	0	0	0	0	10	30
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	15	15	32	26	23	18	23	30
Totals	1,497	240,808	Units occ.	**1,136**	**1,151**	**1,183**	**1,209**	**1,232**	**1,250**	**1,273**	**1,303**

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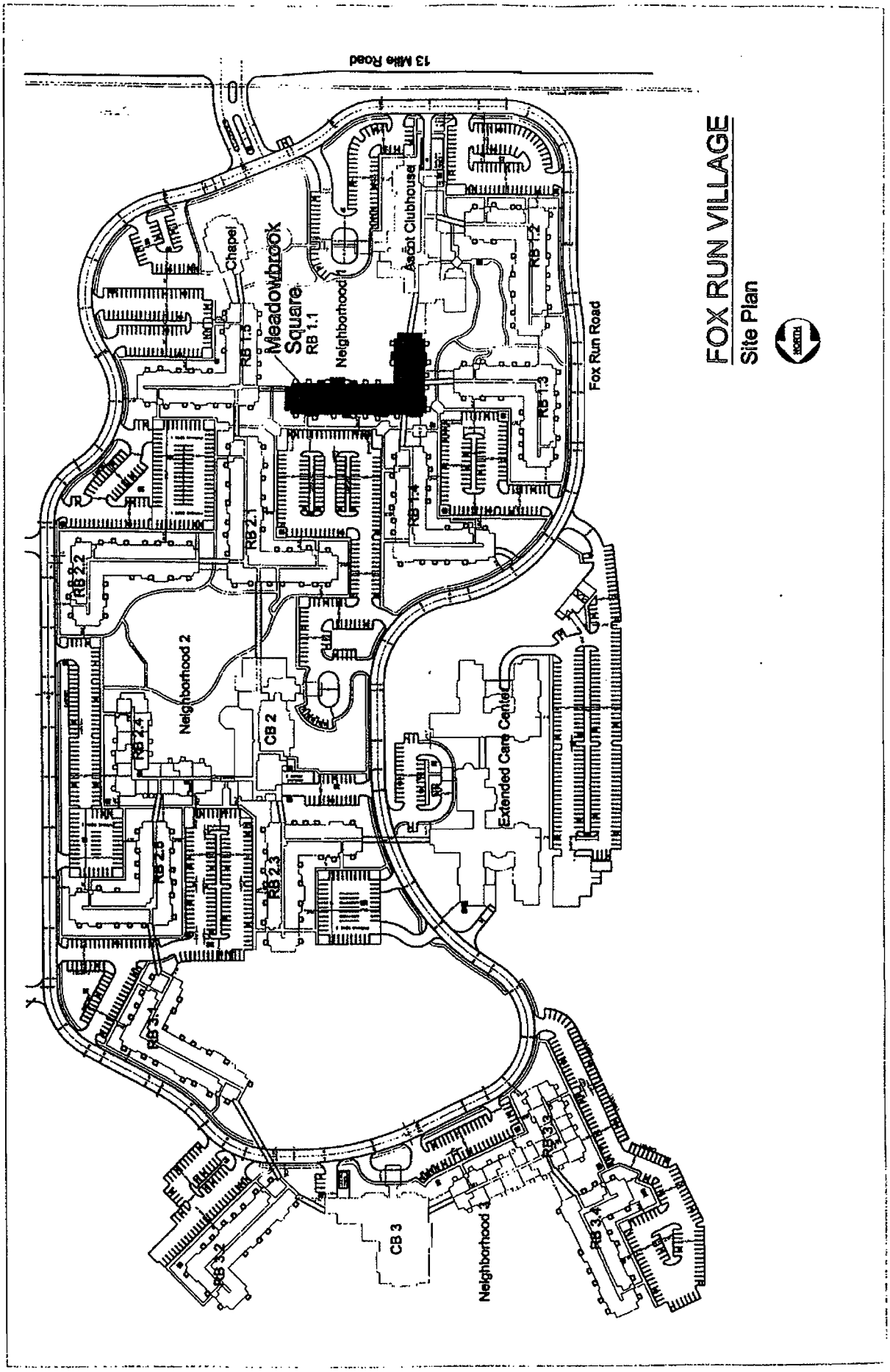
Bldg	No. of Units	Avg Dep/unit		Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	110	110	110	110	110	110	110	110
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.4	114	226,559	Units	114	114	114	114	114	114	114	114
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.5	119	227,789	Units	119	119	119	119	119	119	119	119
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Units	140	140	140	140	140	140	140	140
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	100	100	100	100	100	100	100	100
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Units	116	116	116	116	116	116	116	116
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.4	102	246,011	Units	102	102	102	102	102	102	102	102
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Units	91	91	91	91	91	91	91	91
			Absorp rate/mo	2	2	1	0	0	0	0	0
RB 3.1	114	257,066	Units	111	113	114	114	114	114	114	114
			Absorp rate/mo	4	4	3	2	2	1	1	0
RB 3.2	87	267,819	Units	74	78	81	83	85	86	87	87
			Absorp rate/mo	20	15	8	8	5	5	5	5
RB 3.3	109	253,731	Units	50	65	73	81	86	91	96	101
			Absorp rate/mo	0	0	0	0	20	15	15	15
RB 3.4	93	257,276	Units	0	0	0	0	20	35	50	65
			Absorp rate/mo	26	21	12	10	27	21	21	20
Totals	1,497	240,808	Units occ.	1,329	1,350	1,362	1,372	1,399	1,420	1,441	1,461

Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Jun-09	Jul-09	Aug-09
			Absorp rate/mo	0	0	0
RB 1.1	103	220,571	Units	103	103	103
			Absorp rate/mo	0	0	0
RB 1.2	99	229,377	Units	99	99	99
			Absorp rate/mo	0	0	0
RB 1.3	110	219,667	Units	110	110	110
			Absorp rate/mo	0	0	0
RB 1.4	114	226,559	Units	114	114	114
			Absorp rate/mo	0	0	0
RB 1.5	119	227,789	Units	119	119	119
			Absorp rate/mo	0	0	0
RB 2.1	140	227,958	Units	140	140	140
			Absorp rate/mo	0	0	0
RB 2.2	100	250,791	Units	100	100	100
			Absorp rate/mo	0	0	0
RB 2.3	116	252,703	Units	116	116	116
			Absorp rate/mo	0	0	0
RB 2.4	102	246,011	Units	102	102	102
			Absorp rate/mo	0	0	0
RB 2.5	91	245,883	Units	91	91	91
			Absorp rate/mo	0	0	0
RB 3.1	114	257,066	Units	114	114	114
			Absorp rate/mo	0	0	0
RB 3.2	87	267,819	Units	87	87	87
			Absorp rate/mo	5	2	1
RB 3.3	109	253,731	Units	106	108	109
			Absorp rate/mo	15	8	5
RB 3.4	93	257,276	Units	80	88	93
			Absorp rate/mo	20	10	6
Totals	1,497	240,808	Units occ.	1,481	1,491	1,497

Bank Of America - CD#13 - Control ID#1133


13 Mile Road
Fox Run Road
Chapel
Meadowbrook Square
RB 1.1
Neighborhood 1
Ascot Clubhouse
RB 1.2
RB 1.3
RB 1.4
RB 1.5
RB 2.1
RB 2.2
RB 2.3
RB 2.4
RB 2.5
Neighborhood 2
CB 2
Extended Care Center
RB 3.1
RB 3.2
RB 3.3
RB 3.4
CB 3
Neighborhood 3
FOX RUN VILLAGE
Site Plan

Bank Of America - CD#13 - Control ID#1133

NOVI CAMPUS, LLC
Development Plan
Departmental Cost Summary
Exhibit C - Unallocated Annual Expenses

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Finance			80,000	84,000	88,200	92,610	97,241	102,103	107,208	75,045	**726,406**
Design & development	75,000	300,000	1,000,000	1,300,000	1,365,000	1,433,250	1,504,913	1,580,158	1,659,166	1,161,416	**11,378,903**
Legal	53,187	50,000	57,750	57,750	60,638	63,669	66,853	70,195	73,705	51,594	**605,341**
Sales & Information	0	300,000	755,000	793,000	809,855	701,745	541,022	347,140	108,708		**4,356,472**
Marketing	200,000	900,000	1,580,000	1,659,000	1,742,000	1,829,000	1,920,000	2,016,000	2,117,000	1,363,757	**15,326,757**
Information Technology	100,866	86,000	90,300	90,300	94,815	99,556	104,534	109,760	115,248	80,674	**972,052**
Administration	399,937		250,000	262,500	275,625	289,406	303,877	319,070	335,024	234,517	**2,669,956**
Total	**828,990**	**1,636,000**	**3,813,050**	**4,246,550**	**4,436,133**	**4,509,237**	**4,538,438**	**4,544,427**	**4,516,059**	**2,967,003**	**36,035,887**

Bank Of America - CD#13 - Control ID#1133

Novi Campus, LLC
Development Agreement
EXHIBIT E
FORM OF PHASE FORECASTS AND UNALLOCATED ANNUAL EXPENSE SUMMARY

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total 2002
Hard Construction Costs	64,278	65,233	85,233	389,742	388,742	389,742	559,507	976,936	1,594,588	2,157,533	2,798,959	3,764,197	13,215,692
Construction Fees				5,846	5,846	5,846	8,393	14,654	23,919	32,363	41,984	56,463	195,314
Architecture	34,464	66,585	80,188	59,919	57,837	59,581	59,581	51,381	58,214	60,395	31,647	42,270	602,062
Engineering	19,214	9,142	9,142	9,142	9,142	8,792	6,642	6,642	6,642	6,642	-	-	91,146
Fees, permits	-	-	-	-	509,380	-	-	-	428,060	-	-	2,500	939,940
Builders risk	-	-	8,011	-	-	19,770	-	-	-	9,718	-	-	37,499
Contingency (3% of hard costs)	-	-	-	-	-	-	-	20,000	-	-	-	-	20,000
Total direct costs	117,956	140,960	162,575	464,649	971,948	483,732	634,123	1,069,614	2,111,424	2,266,652	2,872,590	3,865,429	15,161,653
Indirect Costs													
Departmental costs	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	4,023,300
Land	100,000	9,722,612	-	-	-	-	-	-	-	-	-	-	9,822,612
Property taxes (land only)	-	-	-	-	-	-	-	-	-	-	-	154,483	154,483
FF&E/ Rental (Marketing Center)	-	-	98,107	-	-	-	-	-	-	-	-	-	98,107
Interest expense (Construction loan 9%)	20,000	20,000	5,141	9,947	15,316	21,999	26,274	31,322	38,573	51,070	64,405	81,336	385,383
Financing costs/Legal	10,000	10,000	355,000	260,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	715,000
Working Capital Loan to Community/Repaymer	-	-	-	-	-	-	-	-	-	-	100,000	36,950	136,950
Total Indirect Costs	465,275	10,087,887	793,523	605,222	360,591	367,274	371,549	376,597	383,848	396,345	509,680	618,044	15,335,835
Total Costs	583,231	10,228,847	956,098	1,069,871	1,332,539	851,006	1,005,672	1,446,211	2,495,273	2,662,996	3,382,270	4,483,473	30,497,488

Sitework III through Extended Care Phase II
Assumed RB 3 4 will be full deposited

FOX RUN VILLAGE RETIREMENT COMMUNITY
DEED OF MASTER LEASE AND USE AGREEMENT

EXHIBIT D
FEES AND DEPOSITS

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Jun-03

Residential Building 1.1		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	74,000	-	-
Efficiency	A3	Albright	91,000	-	-
Studio	B2	Abbott	113,000	-	-
Studio	B?	?	113,000	-	-
Studio	B4	Avalon	113,000	2	226,000
1 BR	C1	Brighton	156,000	22	3,432,000
1 BR	C5	Bradford	143,000	-	-
Large 1 BR	C2	Ellicott	180,000	-	-
Large 1 BR	C8	Dawson	179,000	2	358,000
Large 1 BR	C3	Dover	178,000	4	712,000
Large 1 BR	C4	Fremont	187,000	-	-
Large 1 BR	C7	Fenwick	171,000	2	342,000
Large 1 BR	C11	Easton	166,000	1	166,000
Large 1 BR	C12	?	192,000	-	-
Large 1 BR-1-1/2B	G10	Hamilton	211,000	3	633,000
1 BR & Den	D1	Georgetown	208,000	4	832,000
1 BR & Den	D2	Gilbert	208,000	4	832,000
1 BR & Den	D5	Glendale	208,000	-	-
1 BR & Den	D6	Gibson	208,000	4	832,000
2 BR-1B	E1	Flagstaff	196,000	3	588,000
2 BR-1B	E1m	Fallston	196,000	4	784,000
2 BR-1B	E2	Fairmont	207,000	7	1,449,000
2 BR-1B	E3	Franklin	218,000	-	-
2 BR-1B	G4	Harrison	218,000	8	1,744,000
2 BR-(1-1/2)B	E4	Hastings	242,000	7	1,694,000
1 BR-(1-1/2)B	H2	Heritage	208,000	-	-
2 BR-2B	F3	Kingston	275,000	5	1,375,000
2 BR-2B Large	F4	Manchester	315,000	10	3,150,000
2 BR-2B with Den	F6	Monterey	315,000	-	-
2 BR-2B with Den	F8	Worthington	315,000	-	-
2 BR-2B	G6	Jackson	275,000	6	1,650,000
2 BR-2B Large	H1	Lancaster	368,000	5	1,840,000
2 BR-2B Large	J3	Washington	376,000	-	-
Projected Deposits without Amenities				**103**	**22,639,000**
Total Amenities					**79,800**
Total Projected Deposits					**22,718,800**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Oct-03

Residential Building 1.2		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	74,000	-	-
Efficiency	A3	Albright	91,000	1	91,000
Studio	B2	Abbott	113,000	-	-
Studio	B?	?	113,000	-	-
Studio	B4	Avalon	113,000	-	-
1 BR	C1	Brighton	156,000	17	2,652,000
1 BR	C5	Bradford	143,000	-	-
Large 1 BR	C2	Ellicott	180,000	-	-
Large 1 BR	C8	Dawson	179,000	2	358,000
Large 1 BR	C3	Dover	178,000	-	-
Large 1 BR	C4	Fremont	187,000	5	935,000
Large 1 BR	C7	Fenwick	171,000	-	-
Large 1 BR	C11	Easton	166,000	-	-
Large 1 BR	C12	?	192,000	-	-
Large 1 BR-1-1/2B	G10	Hamilton	211,000	5	1,055,000
1 BR & Den	D1	Georgetown	208,000	3	624,000
1 BR & Den	D2	Gilbert	208,000	3	624,000
1 BR & Den	D5	Glendale	208,000	-	-
1 BR & Den	D6	Gibson	208,000	-	-
2 BR-1B	E1	Flagstaff	196,000	10	1,960,000
2 BR-1B	E1m	Fallston	196,000	-	-
2 BR-1B	E2	Fairmont	207,000	8	1,656,000
2 BR-1B	E3	Franklin	218,000	-	-
2 BR-1B	G4	Harrison	218,000	7	1,526,000
2 BR-(1-1/2)B	E4	Hastings	242,000	5	1,210,000
1 BR-(1-1/2)B	H2	Heritage	208,000	-	-
2 BR-2B	F3	Kingston	275,000	10	2,750,000
2 BR-2B Large	F4	Manchester	315,000	10	3,150,000
2 BR-2B with Den	F6	Monterey	315,000	-	-
2 BR-2B with Den	F8	Worthington	315,000	-	-
2 BR-2B	G6	Jackson	275,000	8	2,200,000
2 BR-2B Large	H1	Lancaster	368,000	5	1,840,000
2 BR-2B Large	J3	Washington	376,000	-	-
Projected Deposits without Amenities				**99**	**22,631,000**
Total Amenities					**77,280**
Total Projected Deposits					**22,708,280**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Mar-04

Residential Building 1.3		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	76,220	-	-
Efficiency	A3	Albright	93,730	-	-
Studio	B2	Abbott	116,390	-	-
Studio	B?	?	116,390	-	-
Studio	B4	Avalon	116,390	-	-
1 BR	C1	Brighton	160,680	18	2,892,240
1 BR	C5	Bradford	147,290	-	-
Large 1 BR	C2	Ellicott	185,400	-	-
Large 1 BR	C8	Dawson	184,370	2	368,740
Large 1 BR	C3	Dover	183,340	5	916,700
Large 1 BR	C4	Fremont	192,610	6	1,155,660
Large 1 BR	C7	Fenwick	176,130	-	-
Large 1 BR	C11	Easton	170,980	-	-
Large 1 BR	C12	?	197,760	-	-
Large 1 BR-1-1/2B	G10	Hamilton	217,330	5	1,086,650
1 BR & Den	D1	Georgetown	214,240	5	1,071,200
1 BR & Den	D2	Gilbert	214,240	4	856,960
1 BR & Den	D5	Glendale	214,240	-	-
1 BR & Den	D6	Gibson	214,240	6	1,285,440
2 BR-1B	E1	Flagstaff	201,880	11	2,220,680
2 BR-1B	E1m	Fallston	201,880	6	1,211,280
2 BR-1B	E2	Fairmont	213,210	10	2,132,100
2 BR-1B	E3	Franklin	224,540	-	-
2 BR-1B	G4	Harrison	224,540	10	2,245,400
2 BR-(1-1/2)B	E4	Hastings	249,260	5	1,246,300
1 BR-(1-1/2)B	H2	Heritage	214,240	-	-
2 BR-2B	F3	Kingston	283,250	5	1,416,250
2 BR-2B Large	F4	Manchester	324,450	-	-
2 BR-2B with Den	F6	Monterey	324,450	-	-
2 BR-2B with Den	F8	Worthington	324,450	-	-
2 BR-2B	G6	Jackson	283,250	6	1,699,500
2 BR-2B Large	H1	Lancaster	379,040	6	2,274,240
2 BR-2B Large	J3	Washington	387,280	-	-
Projected Deposits without Amenities				**110**	**24,079,340**
Total Amenities					**84,000**
Total Projected Deposits					**24,163,340**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Sep-04

Residential Building 1.4		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	76,220	-	-
Efficiency	A3	Albright	93,730	1	93,730
Studio	B2	Abbott	116,390	-	-
Studio	B?	?	116,390	-	-
Studio	B4	Avalon	116,390	-	-
1 BR	C1	Brighton	160,680	15	2,410,200
1 BR	C5	Bradford	147,290	-	-
Large 1 BR	C2	Ellicott	185,400	2	370,800
Large 1 BR	C8	Dawson	184,370	2	368,740
Large 1 BR	C3	Dover	183,340	-	-
Large 1 BR	C4	Fremont	192,610	11	2,118,710
Large 1 BR	C7	Fenwick	176,130	1	176,130
Large 1 BR	C11	Easton	170,980	-	-
Large 1 BR	C12	?	197,760	-	-
Large 1 BR-1-1/2B	G10	Hamilton	217,330	4	869,320
1 BR & Den	D1	Georgetown	214,240	5	1,071,200
1 BR & Den	D2	Gilbert	214,240	-	-
1 BR & Den	D5	Glendale	214,240	-	-
1 BR & Den	D6	Gibson	214,240	5	1,071,200
2 BR-1B	E1	Flagstaff	201,880	11	2,220,680
2 BR-1B	E1m	Fallston	201,880	5	1,009,400
2 BR-1B	E2	Fairmont	213,210	9	1,918,890
2 BR-1B	E3	Franklin	224,540	4	898,160
2 BR-1B	G4	Harrison	224,540	6	1,347,240
2 BR-(1-1/2)B	E4	Hastings	249,260	7	1,744,820
1 BR-(1-1/2)B	H2	Heritage	214,240	-	-
2 BR-2B	F3	Kingston	283,250	5	1,416,250
2 BR-2B Large	F4	Manchester	324,450	-	-
2 BR-2B with Den	F6	Monterey	324,450	-	-
2 BR-2B with Den	F8	Worthington	324,450	5	1,622,250
2 BR-2B	G6	Jackson	283,250	11	3,115,750
2 BR-2B Large	H1	Lancaster	379,040	5	1,895,200
2 BR-2B Large	J3	Washington	387,280	-	-
Projected Deposits without Amenities				**114**	**25,738,670**
Total Amenities					**89,040**
Total Projected Deposits					**25,827,710**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Mar-05

Residential Building 1.5

		Unit Name	Deposit Per Unit	Number of Units	Amount of Deposits
Efficiency	A1	Addison	78,507	-	-
Efficiency	A3	Albright	96,542	-	-
Studio	B2	Abbott	119,882	-	-
Studio	B?	?	119,882	-	-
Studio	B4	Avalon	119,882	2	239,763
1 BR	C1	Brighton	165,500	21	3,475,508
1 BR	C5	Bradford	151,709	-	-
Large 1 BR	C2	Ellicott	190,962	-	-
Large 1 BR	C8	Dawson	189,901	2	379,802
Large 1 BR	C3	Dover	188,840	-	-
Large 1 BR	C4	Fremont	198,388	5	991,942
Large 1 BR	C7	Fenwick	181,414	-	-
Large 1 BR	C11	Easton	176,109	-	-
Large 1 BR	C12	?	203,693	-	-
Large 1 BR-1-1/2B	G10	Hamilton	223,850	6	1,343,099
1 BR & Den	D1	Georgetown	220,667	6	1,324,003
1 BR & Den	D2	Gilbert	220,667	5	1,103,336
1 BR & Den	D5	Glendale	220,667	-	-
1 BR & Den	D6	Gibson	220,667	5	1,103,336
2 BR-1B	E1	Flagstaff	207,936	5	1,039,682
2 BR-1B	E1m	Fallston	207,936	5	1,039,682
2 BR-1B	E2	Fairmont	219,606	9	1,976,457
2 BR-1B	E3	Franklin	231,276	6	1,387,657
2 BR-1B	G4	Harrison	231,276	8	1,850,210
2 BR-(1-1/2)B	E4	Hastings	256,738	11	2,824,116
1 BR-(1-1/2)B	H2	Heritage	220,667	1	220,667
2 BR-2B	F3	Kingston	291,748	11	3,209,223
2 BR-2B Large	F4	Manchester	334,184	-	-
2 BR-2B with Den	F6	Monterey	334,184	-	-
2 BR-2B with Den	F8	Worthington	334,184	-	-
2 BR-2B	G6	Jackson	291,748	8	2,333,980
2 BR-2B Large	H1	Lancaster	390,411	3	1,171,234
2 BR-2B Large	J3	Washington	398,898	-	-
Projected Deposits without Amenities				**119**	**27,013,697**
Total Amenities					**93,240**
Total Projected Deposits					**27,106,937**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Sep-05

Residential Building 2.1		Unit Name	Deposit Per Unit	Number of Units	Amount of Deposits
Efficiency	A1	Addison	78,507	-	-
Efficiency	A3	Albright	96,542	-	-
Studio	B2	Abbott	119,882	-	-
Studio	B?	?	119,882	-	-
Studio	B4	Avalon	119,882	1	119,882
1 BR	C1	Brighton	165,500	22	3,641,009
1 BR	C5	Bradford	151,709	-	-
Large 1 BR	C2	Ellicott	190,962	-	-
Large 1 BR	C8	Dawson	189,901	2	379,802
Large 1 BR	C3	Dover	188,840	5	944,201
Large 1 BR	C4	Fremont	198,388	10	1,983,883
Large 1 BR	C7	Fenwick	181,414	2	362,828
Large 1 BR	C11	Easton	176,109	6	1,056,656
Large 1 BR	C12	?	203,693	-	-
Large 1 BR-1-1/2B	G10	Hamilton	223,850	-	-
1 BR & Den	D1	Georgetown	220,667	4	882,669
1 BR & Den	D2	Gilbert	220,667	4	882,669
1 BR & Den	D5	Glendale	220,667	-	-
1 BR & Den	D6	Gibson	220,667	11	2,427,339
2 BR-1B	E1	Flagstaff	207,936	5	1,039,682
2 BR-1B	E1m	Fallston	207,936	11	2,287,300
2 BR-1B	E2	Fairmont	219,606	9	1,976,457
2 BR-1B	E3	Franklin	231,276	5	1,156,381
2 BR-1B	G4	Harrison	231,276	1	231,276
2 BR-(1-1/2)B	E4	Hastings	256,738	12	3,080,854
1 BR-(1-1/2)B	H2	Heritage	220,667	-	-
2 BR-2B	F3	Kingston	291,748	6	1,750,485
2 BR-2B Large	F4	Manchester	334,184	-	-
2 BR-2B with Den	F6	Monterey	334,184	-	-
2 BR-2B with Den	F8	Worthington	334,184	-	-
2 BR-2B	G6	Jackson	291,748	18	5,251,455
2 BR-2B Large	H1	Lancaster	390,411	6	2,342,467
2 BR-2B Large	J3	Washington	398,898	-	-
Projected Deposits without Amenities				**140**	**31,797,295**
Total Amenities					**116,760**
Total Projected Deposits					**31,914,055**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Apr-06

Residential Building 2.2		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	80,862	-	-
Efficiency	A3	Albright	99,438	1	99,438
Studio	B2	Abbott	123,478	5	617,391
Studio	B?	?	123,478	-	-
Studio	B4	Avalon	123,478	-	-
1 BR	C1	Brighton	170,465	15	2,556,981
1 BR	C5	Bradford	156,260	-	-
Large 1 BR	C2	Ellicott	196,691	-	-
Large 1 BR	C8	Dawson	195,598	1	195,598
Large 1 BR	C3	Dover	194,505	5	972,527
Large 1 BR	C4	Fremont	204,340	-	-
Large 1 BR	C7	Fenwick	186,856	1	186,856
Large 1 BR	C11	Easton	181,393	-	-
Large 1 BR	C12	?	209,804	-	-
Large 1 BR-1-1/2B	G10	Hamilton	230,565	-	-
1 BR & Den	D1	Georgetown	227,287	-	-
1 BR & Den	D2	Gilbert	227,287	-	-
1 BR & Den	D5	Glendale	227,287	5	1,136,436
1 BR & Den	D6	Gibson	227,287	5	1,136,436
2 BR-1B	E1	Flagstaff	214,174	-	-
2 BR-1B	E1m	Fallston	214,174	5	1,070,872
2 BR-1B	E2	Fairmont	226,194	4	904,778
2 BR-1B	E3	Franklin	238,214	-	-
2 BR-1B	G4	Harrison	238,214	9	2,143,930
2 BR-(1-1/2)B	E4	Hastings	264,440	10	2,644,399
1 BR-(1-1/2)B	H2	Heritage	227,287	-	-
2 BR-2B	F3	Kingston	300,500	5	1,502,500
2 BR-2B Large	F4	Manchester	344,209	10	3,442,090
2 BR-2B with Den	F6	Monterey	344,209	-	-
2 BR-2B with Den	F8	Worthington	344,209	4	1,376,836
2 BR-2B	G6	Jackson	300,500	10	3,004,999
2 BR-2B Large	H1	Lancaster	402,124	5	2,010,618
2 BR-2B Large	J3	Washington	410,865	-	-
Projected Deposits without Amenities				**100**	**25,002,686**
Total Amenities					**76,440**
Total Projected Deposits					**25,079,126**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Sep-06

Residential Building 2.3		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	80,862	-	-
Efficiency	A3	Albright	99,438	-	-
Studio	B2	Abbott	123,478	-	-
Studio	B?	?	123,478	1	123,478
Studio	B4	Avalon	123,478	-	-
1 BR	C1	Brighton	170,465	12	2,045,585
1 BR	C5	Bradford	156,260	6	937,560
Large 1 BR	C2	Ellicott	196,691	1	196,691
Large 1 BR	C8	Dawson	195,598	1	195,598
Large 1 BR	C3	Dover	194,505	-	-
Large 1 BR	C4	Fremont	204,340	5	1,021,700
Large 1 BR	C7	Fenwick	186,856	-	-
Large 1 BR	C11	Easton	181,393	1	181,393
Large 1 BR	C12	?	209,804	5	1,049,018
Large 1 BR-1-1/2B	G10	Hamilton	230,565	4	922,262
1 BR & Den	D1	Georgetown	227,287	5	1,136,436
1 BR & Den	D2	Gilbert	227,287	-	-
1 BR & Den	D5	Glendale	227,287	-	-
1 BR & Den	D6	Gibson	227,287	5	1,136,436
2 BR-1B	E1	Flagstaff	214,174	5	1,070,872
2 BR-1B	E1m	Fallston	214,174	5	1,070,872
2 BR-1B	E2	Fairmont	226,194	5	1,130,972
2 BR-1B	E3	Franklin	238,214	4	952,858
2 BR-1B	G4	Harrison	238,214	7	1,667,501
2 BR-(1-1/2)B	E4	Hastings	264,440	16	4,231,039
1 BR-(1-1/2)B	H2	Heritage	227,287	1	227,287
2 BR-2B	F3	Kingston	300,500	-	-
2 BR-2B Large	F4	Manchester	344,209	12	4,130,508
2 BR-2B with Den	F6	Monterey	344,209	-	-
2 BR-2B with Den	F8	Worthington	344,209	5	1,721,045
2 BR-2B	G6	Jackson	300,500	-	-
2 BR-2B Large	H1	Lancaster	402,124	4	1,608,494
2 BR-2B Large	J3	Washington	410,865	6	2,465,192
Projected Deposits without Amenities				**116**	**29,222,798**
Total Amenities					**90,720**
Total Projected Deposits					**29,313,518**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Apr-07

Residential Building 2.4		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	83,288	-	-
Efficiency	A3	Albright	102,421	-	-
Studio	B2	Abbott	127,182	-	-
Studio	B?	?	127,182	-	-
Studio	B4	Avalon	127,182	4	508,730
1 BR	C1	Brighton	175,579	19	3,336,008
1 BR	C5	Bradford	160,948	6	965,687
Large 1 BR	C2	Ellicott	202,592	-	-
Large 1 BR	C8	Dawson	201,466	2	402,932
Large 1 BR	C3	Dover	200,341	-	-
Large 1 BR	C4	Fremont	210,470	5	1,052,351
Large 1 BR	C7	Fenwick	192,462	-	-
Large 1 BR	C11	Easton	186,834	-	-
Large 1 BR	C12	?	216,098	-	-
Large 1 BR-1-1/2B	G10	Hamilton	237,482	-	-
1 BR & Den	D1	Georgetown	234,106	4	936,423
1 BR & Den	D2	Gilbert	234,106	4	936,423
1 BR & Den	D5	Glendale	234,106	-	-
1 BR & Den	D6	Gibson	234,106	5	1,170,529
2 BR-1B	E1	Flagstaff	220,600	-	-
2 BR-1B	E1m	Fallston	220,600	5	1,102,999
2 BR-1B	E2	Fairmont	232,980	10	2,329,803
2 BR-1B	E3	Franklin	245,361	5	1,226,805
2 BR-1B	G4	Harrison	245,361	3	736,083
2 BR-(1-1/2)B	E4	Hastings	272,373	5	1,361,866
1 BR-(1-1/2)B	H2	Heritage	234,106	-	-
2 BR-2B	F3	Kingston	309,515	6	1,857,090
2 BR-2B Large	F4	Manchester	354,535	-	-
2 BR-2B with Den	F6	Monterey	354,535	-	-
2 BR-2B with Den	F8	Worthington	354,535	-	-
2 BR-2B	G6	Jackson	309,515	8	2,476,119
2 BR-2B Large	H1	Lancaster	414,187	5	2,070,936
2 BR-2B Large	J3	Washington	423,191	6	2,539,148
Projected Deposits without Amenities				**102**	**25,009,931**
Total Amenities					**83,160**
Total Projected Deposits					**25,093,091**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Jul-07

Residential Building 2.5		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	83,288	-	-
Efficiency	A3	Albright	102,421	-	-
Studio	B2	Abbott	127,182	-	-
Studio	B?	?	127,182	-	-
Studio	B4	Avalon	127,182	1	127,182
1 BR	C1	Brighton	175,579	18	3,160,429
1 BR	C5	Bradford	160,948	-	-
Large 1 BR	C2	Ellicott	202,592	-	-
Large 1 BR	C8	Dawson	201,466	1	201,466
Large 1 BR	C3	Dover	200,341	4	801,362
Large 1 BR	C4	Fremont	210,470	5	1,052,351
Large 1 BR	C7	Fenwick	192,462	-	-
Large 1 BR	C11	Easton	186,834	-	-
Large 1 BR	C12	?	216,098	-	-
Large 1 BR-1-1/2B	G10	Hamilton	237,482	-	-
1 BR & Den	D1	Georgetown	234,106	4	936,423
1 BR & Den	D2	Gilbert	234,106	3	702,317
1 BR & Den	D5	Glendale	234,106	-	-
1 BR & Den	D6	Gibson	234,106	5	1,170,529
2 BR-1B	E1	Flagstaff	220,600	5	1,102,999
2 BR-1B	E1m	Fallston	220,600	5	1,102,999
2 BR-1B	E2	Fairmont	232,980	3	698,941
2 BR-1B	E3	Franklin	245,361	-	-
2 BR-1B	G4	Harrison	245,361	9	2,208,248
2 BR-(1-1/2)B	E4	Hastings	272,373	4	1,089,493
1 BR-(1-1/2)B	H2	Heritage	234,106	-	-
2 BR-2B	F3	Kingston	309,515	10	3,095,149
2 BR-2B Large	F4	Manchester	354,535	-	-
2 BR-2B with Den	F6	Monterey	354,535	-	-
2 BR-2B with Den	F8	Worthington	354,535	-	-
2 BR-2B	G6	Jackson	309,515	9	2,785,634
2 BR-2B Large	H1	Lancaster	414,187	5	2,070,936
2 BR-2B Large	J3	Washington	423,191	-	-
Projected Deposits without Amenities				**91**	**22,306,459**
Total Amenities					**68,880**
Total Projected Deposits					**22,375,339**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Oct-07

Residential Building 3.1

		Unit Name	Deposit Per Unit	Number of Units	Amount of Deposits
Efficiency	A1	Addison	83,288	-	-
Efficiency	A3	Albright	102,421	-	-
Studio	B2	Abbott	127,182	-	-
Studio	B?	?	127,182	-	-
Studio	B4	Avalon	127,182	-	-
1 BR	C1	Brighton	175,579	17	2,984,849
1 BR	C5	Bradford	160,948	4	643,791
Large 1 BR	C2	Ellicott	202,592	-	-
Large 1 BR	C8	Dawson	201,466	2	402,932
Large 1 BR	C3	Dover	200,341	-	-
Large 1 BR	C4	Fremont	210,470	11	2,315,172
Large 1 BR	C7	Fenwick	192,462	2	384,924
Large 1 BR	C11	Easton	186,834	-	-
Large 1 BR	C12	?	216,098	-	-
Large 1 BR-1-1/2B	G10	Hamilton	237,482	-	-
1 BR & Den	D1	Georgetown	234,106	5	1,170,529
1 BR & Den	D2	Gilbert	234,106	5	1,170,529
1 BR & Den	D5	Glendale	234,106	-	-
1 BR & Den	D6	Gibson	234,106	5	1,170,529
2 BR-1B	E1	Flagstaff	220,600	11	2,426,597
2 BR-1B	E1m	Fallston	220,600	5	1,102,999
2 BR-1B	E2	Fairmont	232,980	8	1,863,843
2 BR-1B	E3	Franklin	245,361	-	-
2 BR-1B	G4	Harrison	245,361	2	490,722
2 BR-(1-1/2)B	E4	Hastings	272,373	-	-
1 BR-(1-1/2)B	H2	Heritage	234,106	-	-
2 BR-2B	F3	Kingston	309,515	6	1,857,090
2 BR-2B Large	F4	Manchester	354,535	12	4,254,423
2 BR-2B with Den	F6	Monterey	354,535	-	-
2 BR-2B with Den	F8	Worthington	354,535	-	-
2 BR-2B	G6	Jackson	309,515	9	2,785,634
2 BR-2B Large	H1	Lancaster	414,187	5	2,070,936
2 BR-2B Large	J3	Washington	423,191	5	2,115,957
Projected Deposits without Amenities				**114**	**29,211,456**
Total Amenities					**94,080**
Total Projected Deposits					**29,305,536**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available

Apr-08

Residential Building 3.2		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	85,786	-	-
Efficiency	A3	Albright	105,494	-	-
Studio	B2	Abbott	130,998	-	-
Studio	B?	?	130,998	-	-
Studio	B4	Avalon	130,998	-	-
1 BR	C1	Brighton	180,847	7	1,265,927
1 BR	C5	Bradford	165,776	4	663,105
Large 1 BR	C2	Ellicott	208,669	-	-
Large 1 BR	C8	Dawson	207,510	1	207,510
Large 1 BR	C3	Dover	206,351	5	1,031,754
Large 1 BR	C4	Fremont	216,784	5	1,083,921
Large 1 BR	C7	Fenwick	198,236	2	396,472
Large 1 BR	C11	Easton	192,439	-	-
Large 1 BR	C12	?	222,581	-	-
Large 1 BR-1-1/2B	G10	Hamilton	244,607	-	-
1 BR & Den	D1	Georgetown	241,129	4	964,516
1 BR & Den	D2	Gilbert	241,129	4	964,516
1 BR & Den	D5	Glendale	241,129	-	-
1 BR & Den	D6	Gibson	241,129	5	1,205,645
2 BR-1B	E1	Flagstaff	227,218	5	1,136,089
2 BR-1B	E1m	Fallston	227,218	5	1,136,089
2 BR-1B	E2	Fairmont	239,970	4	959,879
2 BR-1B	E3	Franklin	252,722	-	-
2 BR-1B	G4	Harrison	252,722	-	-
2 BR-(1-1/2)B	E4	Hastings	280,544	11	3,085,988
1 BR-(1-1/2)B	H2	Heritage	241,129	-	-
2 BR-2B	F3	Kingston	318,800	5	1,594,002
2 BR-2B Large	F4	Manchester	365,171	-	-
2 BR-2B with Den	F6	Monterey	365,171	3	1,095,514
2 BR-2B with Den	F8	Worthington	365,171	-	-
2 BR-2B	G6	Jackson	318,800	8	2,550,403
2 BR-2B Large	H1	Lancaster	426,613	4	1,706,451
2 BR-2B Large	J3	Washington	435,887	5	2,179,435
Projected Deposits without Amenities				**87**	**23,227,215**
Total Amenities					**73,080**
Total Projected Deposits					**23,300,295**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Aug-08

Residential Building 3.3		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	85,786	-	-
Efficiency	A3	Albright	105,494	-	-
Studio	B2	Abbott	130,998	-	-
Studio	B?	?	130,998	-	-
Studio	B4	Avalon	130,998	-	-
1 BR	C1	Brighton	180,847	18	3,255,242
1 BR	C5	Bradford	165,776	-	-
Large 1 BR	C2	Ellicott	208,669	1	208,669
Large 1 BR	C8	Dawson	207,510	2	415,020
Large 1 BR	C3	Dover	206,351	5	1,031,754
Large 1 BR	C4	Fremont	216,784	5	1,083,921
Large 1 BR	C7	Fenwick	198,236	-	-
Large 1 BR	C11	Easton	192,439	1	192,439
Large 1 BR	C12	?	222,581	-	-
Large 1 BR-1-1/2B	G10	Hamilton	244,607	4	978,427
1 BR & Den	D1	Georgetown	241,129	3	723,387
1 BR & Den	D2	Gilbert	241,129	3	723,387
1 BR & Den	D5	Glendale	241,129	-	-
1 BR & Den	D6	Gibson	241,129	5	1,205,645
2 BR-1B	E1	Flagstaff	227,218	5	1,136,089
2 BR-1B	E1m	Fallston	227,218	5	1,136,089
2 BR-1B	E2	Fairmont	239,970	8	1,919,758
2 BR-1B	E3	Franklin	252,722	4	1,010,887
2 BR-1B	G4	Harrison	252,722	6	1,516,330
2 BR-(1-1/2)B	E4	Hastings	280,544	9	2,524,899
1 BR-(1-1/2)B	H2	Heritage	241,129	-	-
2 BR-2B	F3	Kingston	318,800	10	3,188,004
2 BR-2B Large	F4	Manchester	365,171	-	-
2 BR-2B with Den	F6	Monterey	365,171	-	-
2 BR-2B with Den	F8	Worthington	365,171	-	-
2 BR-2B	G6	Jackson	318,800	10	3,188,004
2 BR-2B Large	H1	Lancaster	426,613	5	2,133,064
2 BR-2B Large	J3	Washington	435,887	-	-
Projected Deposits without Amenities				**109**	**27,571,015**
Total Amenities					**85,680**
Total Projected Deposits					**27,656,695**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Feb-09

Residential Building 3.4		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	88,360	1	88,360
Efficiency	A3	Albright	108,659	-	-
Studio	B2	Abbott	134,928	-	-
Studio	B?	?	134,928	-	-
Studio	B4	Avalon	134,928	1	134,928
1 BR	C1	Brighton	186,272	15	2,794,082
1 BR	C5	Bradford	170,749	-	-
Large 1 BR	C2	Ellicott	214,929	-	-
Large 1 BR	C8	Dawson	213,735	2	427,471
Large 1 BR	C3	Dover	212,541	5	1,062,707
Large 1 BR	C4	Fremont	223,288	5	1,116,439
Large 1 BR	C7	Fenwick	204,183	-	-
Large 1 BR	C11	Easton	198,213	-	-
Large 1 BR	C12	?	229,258	-	-
Large 1 BR-1-1/2B	G10	Hamilton	251,945	5	1,259,725
1 BR & Den	D1	Georgetown	248,363	3	745,089
1 BR & Den	D2	Gilbert	248,363	-	-
1 BR & Den	D5	Glendale	248,363	-	-
1 BR & Den	D6	Gibson	248,363	5	1,241,814
2 BR-1B	E1	Flagstaff	234,034	5	1,170,171
2 BR-1B	E1m	Fallston	234,034	5	1,170,171
2 BR-1B	E2	Fairmont	247,169	8	1,977,351
2 BR-1B	E3	Franklin	260,303	5	1,301,517
2 BR-1B	G4	Harrison	260,303	5	1,301,517
2 BR-(1-1/2)B	E4	Hastings	288,961	6	1,733,764
1 BR-(1-1/2)B	H2	Heritage	248,363	-	-
2 BR-2B	F3	Kingston	328,364	-	-
2 BR-2B Large	F4	Manchester	376,126	-	-
2 BR-2B with Den	F6	Monterey	376,126	-	-
2 BR-2B with Den	F8	Worthington	376,126	4	1,504,506
2 BR-2B	G6	Jackson	328,364	8	2,626,915
2 BR-2B Large	H1	Lancaster	439,411	5	2,197,056
2 BR-2B Large	J3	Washington	448,964	-	-
Projected Deposits without Amenities				**93**	**23,853,583**
Total Amenities					**73,080**
Total Projected Deposits					**23,926,663**

Bank Of America - CD#13 - Control ID#1133

FOX RUN VILLAGE RETIREMENT COMMUNITY
DEED OF MASTER LEASE AND USE AGREEMENT

EXHIBIT E
RENT

The following general provisions for calculation of and adjustment to the Annual Rent shall apply to each respective Phase of the Premises, as each Phase is annexed hereto by amendment to this Lease:

1) As to the Independent Living Units:

a) Annual Rent for occupied Independent Living Units in the Premises, during the Initial Move-In Period for each Phase, shall be payable monthly at the rate of one-twelfth (1/12) of six and twenty-five hundreths percent (6.25%) of the Entrance Deposit for each Unit. Such Independent Living Units shall be occupied only by qualified Residents (as determined by rules established by FRV) of the Retirement Community pursuant to Residence and Care Agreements entered into between FRV and such Residents. The Rent for each Unit occupied under a Residence and Care Agreement shall commence on the date of settlement under the Residence and Care Agreement which shall be the deemed Occupancy Date of a unit, as that term is defined in the Residence and Care Agreement; provided, however, if settlement shall occur other than on the first day of a month, then the Rent for any partial month shall be appropriately pro-rated.

b) Annual Rent for all Independent Living Units in the Premises, occupied or unoccupied, after the Completion of the Initial Move-In Period for each Phase, as evidenced by Amendment Two to the Lease for each Phase, shall be payable monthly at the rate of one- twelfth (1/12) of seven and one-tenth percent (7.1%) of the Entrance Deposit for such units. For those units which are not occupied as of the Completion of the Initial Move-In Period, the Entrance Deposit for such unoccupied units shall be deemed to be the Entrance Deposit which would have been paid if such units had been occupied on the date of the Completion of the Initial Move-In Period.

2) As to the Assisted Living Units:

i) Annual Rent for occupied Assisted Living Units during the Initial Move-In Period for each Phase, shall be payable monthly at the rate of one-twelfth (1/12) of six and twenty-five

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hundreths percent (6.25%) of the Entrance Deposit for each Unit. Such Assisted Living Units shall be occupied only by qualified Residents (as determined by rules established by FRV) of the Retirement Community pursuant to Residence and Care Agreements entered into between FRV and such Residents.

ii) Annual Rent for all of the Assisted Living Facility, occupied or unoccupied, after the Completion of the Initial Move-In Period for each Phase, as evidenced by Amendment Two to the Lease for each Phase, shall be payable monthly at the rate of one-twelfth (1/12) of seven and one-tenth percent (7.1%) of the Entrance Deposit for the Assisted Living Units. For those units which are not occupied as of the Completion of the Initial Move-In Period for such Phase, the Entrance Deposit for such unoccupied units shall be deemed to be the Entrance Deposit which would have been paid if such units had been occupied on the date of the Completion of the Initial Move-In Period.

3) As to the Care Center, the Annual Rent shall be an amount equal to ten percent (10%) of the fair market value ("FMV") of such Nursing Units contained therein from time to time. The FMV shall be that value which NC establishes to be the fair market value of the Nursing Units in the Care Center at such time as the Rental commences based on income approach. If FRV fails to accept this value within ten (10) days of its receipt of NC's determination, the FMV shall be determined by arbitration in accordance with the rules of the American Arbitration Association. The Annual Rent shall be set forth in Amendment One to the Lease for the nursing facility Phase of development. The Annual Rent for the Care Center shall be payable in monthly installments, commencing as of the date the first phase of the "care center" in which the applicable Nursing Units are located, is initially opened, and shall be payable in equal monthly installments.

4) As to Community Buildings, the Annual Rent shall be One Hundred Ninety Thousand Dollars ($190,000) per annum payable in monthly installments, for each Community Building.

5) As of January 1 of each year until the expiration of the initial ten (10) full calendar years of the Lease Term, the Annual Rent with respect to the Units and Community Buildings, shall be increased (not decreased) by the Adjustment Amount as determined by the following formula:

i) the index to be used for this adjustment shall be the U.S. Bureau of Labor Statistics Consumer Price Index, U.S. City Average, All Items, All Urban Consumers (revised 1978, 1967 = 100) (the "Index").

ii) the Index as of January 1 of the prior year shall be the Base Period Index.

iii) the Index as of January 1 for each new year shall be the Adjustment Period Index.

iv) the Base Period Index shall be subtracted from the Adjustment Period Index, the difference of which (if a positive number) shall be divided by the Base Period Index, the dividend of which shall be multiplied by ten percent (10%) for the Percentage Index Increase.

v) the Percentage Index Increase shall be multiplied by the Annual Rent as of December 31 for the year just ending, the product of which shall be the Adjustment Amount, retroactive to January 1 for each new year.

vi) In the event the Index shall hereafter be converted to a different standard reference base or otherwise revised, the determination of the percentage increase shall be made with the use of such conversion factor, formula, or table for converting the Index as may be published by Prentice Hall, Inc. or Commerce Clearing House or any nationally recognized publisher of similar statistical information. In the event the Index shall cease to be published, then, for the purpose of these provisions, there shall be substituted for the Index such other Index as NC and FRV shall agree upon; and if they are unable to agree within ninety (90) days after the Index ceases to be published, such matter shall be determined by arbitration in accordance with the rules of the American Arbitration Association.

b) As of January 1 of each year following the expiration of the initial ten (10) full calendar years of the Lease Term, and each year thereafter, the Annual Rent with respect to the Units and the Community Building shall be increased (not decreased) by the Adjustment Amount as determined by the following formula:

i) the index to be used for this adjustment shall be the U.S. Bureau of Labor Statistics Consumer Price Index, U.S.

City Average, All Items, All Urban Consumers (revised 1978, 1967 = 100) (the "Index").

ii) the Index as of January 1 of the prior year shall be the Base Period Index.

iii) the Index as of January 1 for each new year shall be the Adjustment Period Index.

iv) the Base Period Index shall be subtracted from the Adjustment Period Index, the difference of which (if a positive number) shall be the Percentage Index Increase.

v) the Percentage Index Increase shall be multiplied by the Base Rent as of December 31 for the year just ending, the product of which shall be the Adjustment Amount, retroactive to January 1 for each new year.

vi) In the event the Index shall hereafter be converted to a different standard reference base or otherwise revised, the determination of the percentage increase shall be made with the use of such conversion factor, formula, or table for converting the Index as may be published by Prentice Hall, Inc. or Commerce Clearing House or any nationally recognized publisher of similar statistical information. In the event the Index shall cease to be published, then, for the purpose of these provisions, there shall be substituted for the Index such other Index as NC and FRV shall agree upon; and if they are unable to agree within ninety (90) days after the Index ceases to be published, such matter shall be determined by arbitration in accordance with the rules of the American Arbitration Association.

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EXHIBIT F
NOTICES

Notice shall be given as follows:

FRV: 701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: Legal Department

NC: 701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: Legal Department

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FORM OF RESIDENCE AND CARE AGREEMENT

See Exhibit B-3 to Master Lease and Use Agreement (contained in this binder set at Tab18)

Bank Of America - CD#13 - Control ID#1133

FOX RUN VILLAGE
AMENDMENT TO MASTER LEASE AND USE AGREEMENT

This Amendment to Master Lease and Use Agreement (this "Amendment") is made as of this 1st day of January, 2003, by and between NOVI CAMPUS, LLC, a Maryland limited liability company ("NC") and FOX RUN VILLAGE, INC. ("FRV").

RECITALS

Pursuant to a Master Lease and Use Agreement dated February 12, 2002, between NC and FRV, (together with all amendments thereto, the "Lease"), NC agreed to lease to FRV certain property located in Novi, Michigan, known as Fox Run Village to be used and operated as a Retirement Community.

NC and FRV now desire to amend the Lease, on the terms contained herein. Unless otherwise stated, all terms of this Amendment shall have the same meanings as set forth in the Lease.

All capitalized terms used herein and not otherwise defined shall have the meaning given such term in the Lease.

AGREEMENT

NOW THEREFORE, in consideration of the premises, and the rents reserved under the Lease, the parties agree that the Lease shall be amended as follows:

1. The first grammatical paragraph of Article 27 is hereby deleted, and the following is inserted in lieu thereof:

FRV shall have a Purchase Option for the Premises upon the expiration of the initial ten (10) full calendar years of the Lease Term, upon the expiration of the Lease Term, and again at the end of each ten (10) year extension of the Lease Term, if the same is exercised, upon the following terms and conditions:

2. Except as modified by this Amendment, the Lease and all covenants, agreements, terms and conditions thereof shall remain in full force and effect and are hereby in all respects ratified and confirmed.

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IN WITNESS WHEREOF, the parties have set forth their hands and seals below:

WITNESS:

WITNESS:

NOVI CAMPUS, LLC
By: Erickson Retirement Communities, LLC, Member

By: _____ (Seal)
Jeffrey A. Jacobson
Managing Director

FOX RUN VILLAGE, INC.

By: _____ (Seal)
Bruce R. Grindrod, Jr.
President

J:\LEGAL\NOVI\ACQUISIT\AMENDTOMASTERLEASE.DOC

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FOX RUN VILLAGE RETIREMENT COMMUNITY
SECOND AMENDMENT TO
MASTER LEASE AND USE AGREEMENT

THIS SECOND AMENDMENT TO MASTER LEASE AND USE AGREEMENT (this "Lease"), is made as of this 28 day of February, 2003 by and between NOVI CAMPUS, LLC, a Maryland limited liability company, hereinafter called "NC," having an address at 701 Maiden Choice Lane, Baltimore, Maryland 21228; and FOX RUN VILLAGE, INC., a Maryland corporation, hereinafter called "FRV," having an address at 701 Maiden Choice Lane, Baltimore, Maryland 21228.

RECITALS

R.1. NC is the owner of certain real property located in Novi, Michigan (the "Property"), a legal description of which is attached hereto as Exhibit A.

R.2. Pursuant to a Master Lease and Use Agreement dated February 12, 2002, (the "Lease") NC agreed to lease the Property to FRV, together with all improvements and personalty located therein, in accordance with the terms thereof.

R.3. Pursuant to an Amendment to Master Lease and Use Agreement dated as of January 2, 2003 by and between NC and FRV, the Lease was amended.

R.4. NC now proposes to sell the Property to CNL Retirement ER2, LP ("CNL"), and to lease the property back from CNL.

R.5. NC and FRV desire to subject the entire Property to the terms of the Lease prior to the conveyance of the Property to CNL.

NOW THEREFORE, for and in consideration of the payment of the rentals, and performance of the covenants and agreements hereinafter mentioned and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by the parties hereto, NC and FRV hereby agree to further amendment the Lease, on the following terms and conditions:

1. The definition of "Commencement Date" shall hereafter have the following meaning:

Commencement Date - The date on which the Improvements included within a Phase is annexed to the Premises through execution by NC and FRV of Amendment One to this Lease for such Phase.

2. Article 2 is hereby deleted, and the following is inserted in lieu thereof:

2.1. NC and FRV acknowledge and agree that, as of the date of this Second Amendment, the Premises shall include the entire Property described in Exhibit A attached to the Lease. NC and FRV acknowledge that the Premises, if fully completed by NC, are intended to include all of the Improvements as more fully depicted in the Site Plan attached to the Lease as Exhibit C (as such Exhibit may be amended from time to time), as each Phase is completed and annexed hereto. FRV expressly acknowledges and agrees that NC has no obligation to complete construction of the Retirement Community or to construct the Retirement Community in accordance with the Site Plan.

2.2 NC, for itself and for its agents, contractors, consultants and invitees, reserves the right to enter the Property to construct the Improvements and to perform its obligations under this Lease, and any reasons incidental thereto and this Lease and the Premises shall be subject to the right to enter and access the Premises for such purposes.

3. Article 27 is hereby amended by adding a new Section 27.6 thereto as follows:

27.6 In the event that NC elects not to complete any of the Improvements shown on Exhibit C of the Lease, NC, at its option, may elect to terminate this Lease with respect to those portions of the Property that were designed to have any unconstructed Improvements located thereon, and FRV agrees to execute and deliver such documents as are requested by NC to effect such termination.

4. FRV and NC acknowledge and agree that, notwithstanding anything to the contrary contained in the Lease, from and after the date the Property is conveyed to CNL, NC shall possess a leasehold estate with respect to the Property.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have set forth their hands and seals below.

WITNESS:

NC: Novi Campus, LLC
By: Erickson Retirement Communities, LLC, Member

By: _____ (SEAL)
Jeffrey A. Jacobson
Managing Director

APPROVED AS TO LEGAL SUFFICIENCY

WITNESS:

FRV: Fox Run Village, Inc.

By: _____ (SEAL)
Bruce R. Grindrod, Jr.
President

APPROVED AS TO LEGAL SUFFICIENCY

FOX RUN VILLAGE RETIREMENT COMMUNITY
DEED OF MASTER LEASE AND USE AGREEMENT

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

EXHIBIT A

Legal Description

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees ,29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3:

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

PARCEL 4:

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

ALSO DESCRIBED AS:

Part of the West ½ of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Commencing at the Southwest Corner of Section 1, Town 1 North, Range 8 East; thence along the West Line of Section 1, North 03°28'39" West 60.01 feet to the POINT OF BEGINNING; thence continuing along the West Line of Section 1, North 03°28'39" West 2590.40 feet to the West ¼ Corner of Section 1, Town 1 North, Range 8 East; thence along the West Line of Section 1 and along the boundary of "The Maples of Novi, Maple Hills", Oakland County Condominium Plat No. 627, North 02°28'35" West 649.69 feet; thence continuing along the boundary of "The Maples of Novi, Maple Hills" the following two (2) courses: one (1) North 87°21'41" East 682.69 feet and two (2) North 03°11'10" West 2.24 feet; thence along the south boundary of "Haverhill Farms", Oakland County Condominium Plat No. 912, North 87°19'27" East 693.69 feet; thence South 03°16'01" East 3236.69 feet to a point 70.00 feet North of the South Line of Section 1, thence along the North Line of Thirteen Mile Road the following five (5) courses: one (1) South 87°31'40" West 25.33 feet, two (2) South 02°28'20" East 15.00 feet, three (3) South 87°31'40" West 300.00 feet, four (4) North 02°28'20" West 5.00 feet, and five (5) South 87°31'40" West 1050.40 feet to the POINT OF BEGINNING. Contains 102.817 Acres.

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LIBER26064PAGE458

295085
LIBER 26064 PAGE 458
$11.00 MISC RECORDING
$2.00 REMONUMENTATION
07/11/2002 [illegible] P.M. RECEIPT# 5732
PAID RECORDED OAKLAND COUNTY
G.WILLIAM [illegible] CLERK/REGISTER OF DEEDS

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE is entered into this 12th day of February, 2002, by and between Novi Campus, LLC, a Maryland limited liability company, whose address is 701 Maiden Choice Lane, Baltimore, Maryland 21228 (hereinafter referred to as "NC"); and Fox Run Village, Inc., a Maryland non-profit corporation, whose address is 701 Maiden Choice Lane, Baltimore, Maryland 21228 (hereinafter referred to as "FRV").

WITNESSETH:

NC and FRV have entered into a Master Lease and Use Agreement (the "Lease") of even date herewith and desire to enter into this Memorandum of Lease to give record notice of the existence of said Lease.

In consideration of the premises and other good and valuable consideration, NC acknowledges and agrees that the property described on the attached Exhibit A was leased to FRV under the Lease.

The purpose of this Memorandum of Lease is to give record notice of the existence of the aforesaid Lease.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease and have caused their hands and seals to be affixed hereto the day and year first above written.

WITNESSES:

NOVI CAMPUS, LLC, a Maryland limited
By: Erickson Retirement Communities, LLC.
Member

By: _____ (SEAL)
Jeffrey A. Jacobson
Its: Senior Vice President

Print Name: _____

Print Name: GERALD G. ORDERIT

STATE OF MARYLAND :
: SS:
CITY OF BALTIMORE :

On the 13th day of ~~FEBRUARY~~ MARCH, 2002 before me personally came Jeffrey A. Jacobson, to me known to be the person who executed the foregoing instrument, and who, being by me duly sworn, did depose and say that he is the Senior Vice President of Erickson Retirement Communities, LLC, a Maryland limited liability company, which is a Member of Novi Campus, LLC, a Maryland limited liability company, and that he executed the foregoing instrument in the name of Novi Campus, LLC, and that he had authority to sign the same, and acknowledged that he executed the same as the free act and deed of Novi Campus, LLC.

THELMA C. BLACKSTON NOTARY PUBLIC BALTIMORE CITY, MD.

_____
NOTARY PUBLIC
My Commission Expires: 6/7/04

WITNESSES:

Print Name: GERALD G. ORDERIT

Print Name: R. ERIC Taylor

FOX RUN VILLAGE, INC., a Maryland non-profit corporation

By: _____ (SEAL)
Jeffrey A. Jacobson
Its: Secretary/Service President

STATE OF MARYLAND :
: SS:

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STATE of Maryland
CITY OF BALTIMORE :

On the 13th day of March, 2002 before me personally came Jeffrey A. Jacobson, to me known to be the person who executed the foregoing instrument, and who, being by me duly sworn, did depose and say that he is the Secretary/Treasurer of Fox Run Village, Inc., a Maryland non-profit corporation, and acknowledged that he executed the same as the free act and deed of Fox Run Village, Inc.

THELMA C. BLACKSTON NOTARY PUBLIC BALTIMORE CITY, MD.

Thelma C. Blackston
NOTARY PUBLIC

My Commission Expires: 6/7/04

Drafted by and when recorded return to:

Robert B. Goldi, Esq.
Sotiroff & Abramczyk, P.C.
30400 Telegraph Road, Suite 444
Bingham Farms, Michigan 48025-4541

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EXHIBIT A

Legal Description

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

PARCEL 2: pt of 22-01-300[001]013

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3: pt of 22-01-300-[003]013

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

PARCEL 4: pt of 21-01-300-[001]013

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

pt of 21-01-300[009]013

CERTIFICATE OF COPY OF RECORD
STATE OF MICHIGAN
COUNTY OF OAKLAND

I, Ruth Johnson, Register of Deeds for Oakland County, certify that I have compared the attached copy with the original record on file, and it is a true and correct transcript of the original record in Liber 45004 Page(s) 458-460
in testimony whereof, I have set my hand and affixed the seal of REGISTER OF DEEDS on 9-21-09

By: Carolyne A Barnhart
DEPUTY CLERK Carolyne A. Barnhart

Per PA #53, effective 9-6-07

EXHIBIT 20

Residence And Care Agreement

FOX RUN VILLAGE
RESIDENCE AND CARE AGREEMENT

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FOX RUN VILLAGE
RESIDENCE AND CARE AGREEMENT

This Residence and Care Agreement (the "Agreement") is made and entered into the ____ day of _____, _____ by and between FOX RUN VILLAGE, INC. (referred to in this Agreement as "FOX RUN VILLAGE") and _____ (referred to in this Agreement as the "Resident(s)").

RECITALS

R.1 Fox Run Village Community (the "Community") is a life care retirement community located in Novi, Michigan offering various living accommodations and services to seniors, as described herein.

R.2 FOX RUN VILLAGE is a registered living care provider under the laws of the State of Michigan and is the owner and operator of the Community. FOX RUN VILLAGE desires to provide certain services listed in this Agreement to Resident and Resident desires to receive such services.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

DEFINITIONS

Whenever the following words or phrases appear in this Agreement beginning with a capital letter, these definitions shall apply:

Agreement: This document, including all exhibits, supplements, amendments, or addenda, as signed by FOX RUN VILLAGE, Resident and Guarantor, if any.

Ancillary Services: Those services specified in Section 5 of this Agreement made available by FOX RUN VILLAGE and/or provided by approved providers, the cost of which is not included in the Independent Living Monthly Service Package, the Assisted Living Monthly Service Package or the Nursing Care Monthly Service Package. The cost for Ancillary Services may be changed from time to time by FOX RUN VILLAGE as provided in Section 9.2 or by the outside providers.

Assisted Living Monthly Service Package: The current monthly rate for an Assisted Living Unit, based on the level of care provided for the Resident. Fees for Assisted Living are based on the

currently established rate for this service as determined by FOX RUN VILLAGE. Adjustments to the Assisted Living Fee shall be made in accordance with Section 8.3.

Assisted Living Unit: Room accommodations for a resident who is unable to perform normal functions necessary to live in an Independent Living Unit, but who needs a lesser degree of medical care, personal care and service than is provided in a Care Center Unit.

Nursing Care Monthly Service Package: A rate based on the type of Care Center Unit occupied and Entrance Deposit level for the Resident. Fees for care in the Care Center are determined by FOX RUN VILLAGE based on nursing personnel costs and other financial considerations. Adjustments to the Nursing Care Monthly Service Package shall be made in accordance with Section 8.3.

Care Center Unit: Room accommodations for a Resident who is unable to perform normal functions necessary to live in an Independent Living Unit or Assisted Living Unit and who needs the degree of medical care, personal care and service that is provided in a Care Center Unit.

Continuing Care Unit: An Independent Living Unit, Assisted Living Unit, or Care Center Unit (sometimes referred to as a Unit).

Community: The physical site and structures built or operated by FOX RUN VILLAGE as a retirement community in Novi, Michigan.

Covered Services: Those services specified in Section 4 of this Agreement made available by FOX RUN VILLAGE for the applicable Independent Living Monthly Service Package, Assisted Living Monthly Service Package or Nursing Care Monthly Service Package.

Departure Date: The date on which Resident or, in the event of Resident's death, Resident's personal representative or family vacates the Continuing Care Unit after providing FOX RUN VILLAGE with a signed Unit Release form and removing all possessions from such Continuing Care Unit. If the Continuing Care Unit is not released and vacated by Resident or the personal representative, the Departure Date shall be the date that FOX RUN VILLAGE removes all possessions from the Continuing Care Unit.

Double Occupant Fee: The fee payable in the event that Joint Residents occupy the same Continuing Care Unit.

Earned Portion of Entrance Deposit: That portion of the Resident's Entrance Deposit on account multiplied by the number of months of residency as of the date of notice of termination multiplied again by 1.5%.

Entrance Deposit: The entrance fee required to be paid to FOX RUN VILLAGE on or before the Occupancy Date, as may be modified.

Executive Director: The chief administrative officer of the Community appointed as such by FOX RUN VILLAGE.

Extended Care Center: The portion of the Community housing both the Assisted Living Units and the Care Center Units for residents with higher healthcare and personal service needs.

Guarantor: Any person or persons who guarantee the obligations of Resident to pay the Independent Living Monthly Service Package, the Assisted Living Monthly Service Package, the Nursing Care Monthly Service Package, fees for Ancillary Services or any other fee payable by Resident under the terms of this Agreement.

Independent Living Monthly Service Package: The current monthly rate charged for Resident's Independent Living Unit. Fees for Independent Living are based on the currently established rate for this service as determined by FOX RUN VILLAGE. Adjustments to the Independent Living Fee shall be made in accordance with Section 8.3.

Independent Living Unit: A living accommodation at the Community for a Resident who is able to live independently within FOX RUN VILLAGE's guidelines.

Medical Director: A licensed physician officially designated by FOX RUN VILLAGE as the person responsible for the direction and control of medical services offered at the Community.

Non-Occupancy Credit: Resident may receive a Non-Occupancy Credit to reduce Resident's Independent Living Monthly Service Package or Assisted Living Monthly Service Package, as the case may be, when a Resident is or joint Residents are transferred temporarily to a different Continuing Care Unit. Resident may receive a Non-Occupancy Credit, upon request, in other circumstances in the sole discretion of the Executive Director. The current Non-Occupancy Credit is provided on the Ancillary Fee Schedule. Adjustments to and policies concerning the Non-Occupancy Credit are made by FOX RUN VILLAGE.

Notice: For the purposes of this Agreement, Notice shall be deemed to have been given to Resident when deposited in Resident's message box or personally delivered to Resident, and to FOX RUN VILLAGE when personally delivered to the office of the Executive Director at the Community. If the Resident has not yet taken possession of the Continuing Care Unit or has transferred off-site, notice to the Resident shall be given by first-class mail, postage pre-paid, to the Resident's last known address and such notice shall be deemed to be effective on the third day following such mailing.

Occupancy Date: The date on which the Resident is authorized by FOX RUN VILLAGE to take possession of a Continuing Care Unit. On this date, Resident shall be allowed access for belongings or to personally inhabit the Unit pursuant to this Agreement. Delivery of keys to Resident shall be deemed authorization to take possession.

Off-Site Facility: A facility for assisted living care, nursing care, or other health care services not located on the campus of the Community and not owned or operated by FOX RUN VILLAGE.

Resident: Each person designated by name in the first paragraph of this Agreement, who is a party to this Agreement.

Refund of Entrance Deposit Form: A form signed the Resident designating to whom the refund of the deposit shall be made upon termination of the Residence and Care Agreement.

Refurbishing Fee: The fee payable by a Resident who has occupied an Independent Living Unit or an Assisted Living Unit which covers the reasonable costs of cleaning and refurbishing the Unit upon the Resident's vacating the unit. Refurbishing shall include spackling, painting, housekeeping, carpet replacement or cleaning, and removing any customized improvements to the Unit. It is intended that the Unit shall be restored to its condition when it was originally occupied. Determination of the extent of refurbishment shall be established by the Executive Director.

Spending Plan: A plan set forth by the Executive Director of the Community in the event that Resident is financially unable to pay Resident's Monthly Service Packages.

Unearned Portion of Entrance Deposit: The remainder of the Resident's Entrance Deposit after the Earned Portion is subtracted from the Deposit on account at the time that notice of termination is given.

Section 1. DESCRIPTION OF COMMUNITY

The Community consists of Independent Living Units, Assisted Living Units, and Care Center Units (sometimes jointly referred to as "Continuing Care Units.")

1.1 Independent Living Units. The Community is planned to include 1497 independent living units with community buildings. The community buildings include one or more dining rooms, classrooms, cardrooms, lounges, and other common areas. The Community includes a bank, a beauty salon, a convenience store, guest rooms, a full-service outpatient Medical Center, and a pool.

1.2 Extended Care Center. The Extended Care Center refers to the Community's on-site health care neighborhood. The Extended Care Center houses both the Assisted Living Units and the Care Center Units. The Extended Care Center includes dining rooms, resident lounges, activity rooms and bathing rooms.

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1.2.1 Assisted Living Units. The Extended Care Center will include a total of approximately 192 private Assisted Living Units. It is expected that the aggregate number of Assisted Living Units planned for the Community will adequately serve the needs of Community residents. However, in the unusual circumstance that the Assisted Living Units are fully occupied, the Medical Director, or his or her designee, first will arrange for Ancillary Services to be offered in Resident's Independent Living Unit. If necessary, the Medical Director will assist in arranging for a transfer to an Off-Site Facility in the immediate area. In the event of such a transfer, certain fees will be payable. These fees are discussed in Section 8.4.

1.2.2 Care Center Units. The Extended Care Center is planned to include 198 Care Center Units. It is expected that the aggregate number of Care Center Units will adequately serve the needs of Community residents. However, in the unusual circumstance that the Care Center Units are fully occupied, the Medical Director will assist in arranging for a transfer to an Off-Site Facility in the immediate area. In the event of such a transfer, certain fees will be payable. These fees are discussed in Section 8.4.

Section 2. TERM

The Term of this Agreement shall be from the date of execution of the Agreement until the Agreement is terminated as provided by Section 12.

Section 3. LIVING ACCOMMODATIONS

3.1 Resident's Right to Occupy. Resident shall have the right to occupy and to use the following Continuing Care Unit: _____, as-is, from the Occupancy Date to the Departure Date, subject to the need for a transfer. Resident may not assign or sublet the right to occupy a Continuing Care Unit to any other person. FOX RUN VILLAGE shall provide the Continuing Care Unit, in good condition, with neutral painted walls, and with standard carpeting in Independent Living Units and Assisted Living Units.

3.2 Rights of New Spouse. If during the term of residency, the Resident marries a person who is not a resident of the Community, the Resident's spouse must meet FOX RUN VILLAGE's financial and health-related qualifications for entrance into the Community. The financial qualifications are meant to serve as a financial protection for the larger community of residents. FOX RUN VILLAGE reserves the right to determine the appropriate level of care within the Community for the spouse or to determine that there is not an appropriate level of care within the Community for the spouse. If the Resident's spouse is not accepted by FOX RUN VILLAGE, the Resident may terminate the Agreement in accordance with Section 12.1 of this Agreement. If the Resident's spouse is accepted by FOX RUN VILLAGE, certain fees will be payable, depending on whether the spouse is accepted into the same Continuing Care Unit or into a different Continuing Care Unit. These fees are discussed in Sections 7.3.2 and 8.2.

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3.3 Resident's Obligation to Furnish Unit. Resident shall be responsible for furnishing the Independent Living Unit and the Assisted Living Unit and for procuring insurance for personal possessions and furnishings. FOX RUN VILLAGE will provide furnishings and equipment, as required by law, for Care Center Units.

3.4 Customized Improvements. Resident may decorate the Continuing Care Unit to Resident's personal taste with pictures, window treatments, and the like, so long as such decorations are not permanent fixtures to the Unit or can be easily removed without damaging the structural integrity of the Unit. All other customized improvements to any Independent Living Unit or Assisted Living Unit to be undertaken by Resident either prior to or after the Occupancy Date must be approved in writing by the Executive Director in order to protect the structural integrity of the Unit. The contractor and the plans will be subject to the approval of the Executive Director. Any agreement regarding improvements and any charges related to such changes shall be put in writing and signed by the parties to this Agreement. Certain fees will be assessed on removing customized improvements. No customized improvements may be made to a Care Center Unit.

Section 4. SERVICES TO RESIDENTS

FOX RUN VILLAGE will make available the following services to Resident, as applicable, for the appropriate Monthly Service Package, during the life of the Resident, unless the Agreement is sooner terminated as provided in Section 12.

4.1 Independent Living Services. Covered Services included in the Independent Living Monthly Service Package are:

One meal a day;
Emergency communication system;
Security/Safety Officers on duty 24 hours per day;
All utilities (except personal telephone);
Basic cable television service;
Pre-wiring for telephone;
Scheduled local transportation
Maintenance on buildings, grounds and equipment;
Insurance on buildings, grounds and equipment;
Insurance of the Independent Living Unit and fixtures in the unit, except items owned by Resident;
Sewage, trash and snow removal; and
Use of all public rooms and common areas of the Community.

4.2 Assisted Living Services. Covered Services included in the Assisted Living Monthly Service Package are:

Provision of supervision, verbal and physical assistance, as appropriate, in the performance of activities of daily living ("ADLs"), including ambulation, personal hygiene, dressing, toileting and eating;
Administration of medications;
Three meals per day;
Laundry service for linens, towels, and personal laundry;
Light housekeeping care;
Social/recreational activities;
Emergency communications system;
Security/Safety officers on duty 24 hours per day;
All utilities (except personal telephone);
Basic cable television service;
Pre-wiring for telephone;
Scheduled local transportation (if medically appropriate);
Maintenance of buildings, grounds and equipment;
Insurance on buildings, grounds and equipment;
Insurance of the Assisted Living Unit and fixtures in the unit, except items owned by Resident;
Sewage, trash and general snow removal; and
Use of all public rooms and common areas of the Community.

4.3 Care Center Services. Covered Services included in the Nursing Care Monthly Service Package are:

Nursing care;
Three meals a day;
Tray service;
Individual care plans;
Planned activities;
Laundry services for linens, towels, and personal laundry;
Housekeeping;
Emergency communication system;
Security/Safety Officers on duty 24 hours per day;
Basic cable television service;
All utilities (except personal telephone);
Scheduled local transportation (if medically appropriate);
Maintenance of buildings, grounds and equipment;
Insurance on buildings, grounds and equipment;
Insurance of the Nursing Unit and fixtures in the unit, except items owned by Resident;
Pre-wiring for telephone;
Sewage, trash and snow removal; and
Use of all public rooms and common areas of the Community.

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Section 5. ANCILLARY SERVICES

5.1 Services Available through FOX RUN VILLAGE. In addition to the Covered Services described in Section 4 above, FOX RUN VILLAGE makes the following services available to Resident for an additional fee. Other services may become available as the community is developed.

Tray service to Residents in Independent Living or Assisted Living;
Housekeeping and laundry service for residents in Independent Living or Assisted Living;
Extra meals for Residents in an Independent Living Unit
Guest meals;
Lodging in guest rooms on a temporary and space available basis;
Personal storage space;
On-site health club membership;
Reserved parking space;
Home health services in an Independent Living Unit; and
Home health services in an Assisted Living Room for one-on-one care by nursing aide assigned to Resident.

5.2 Services Available through Outside Providers. FOX RUN VILLAGE also contracts with outside providers to provide the following services to Residents at the Community: medical services through the on-site Medical Center; laboratory services; medical supplies; prescription drugs; physical, speech and occupational therapy. These services will be provided at an additional fee by the outside provider and will be billed separately by the outside provider. Such services may be covered by Medicare or by resident's other medical insurance. FOX RUN VILLAGE does not charge Resident any additional fee for use of or access to these outside providers.

5.3 Services Not Provided. Certain services are outside the full spectrum of health care services that FOX RUN VILLAGE can provide. Acute hospital care or any institutional care other than care that is appropriate in an Assisted Living Unit or a Care Center Unit are not provided by FOX RUN VILLAGE or covered under the terms of this Agreement. FOX RUN VILLAGE will assist with any necessary transfers to such facilities; however, Resident will be responsible for the cost of such care.

Section 6. OTHER RESIDENT RIGHTS

6.1 Residents' Association. Resident shall have the right to participate fully in a Residents' Association, or other organization of residents by whatever name designated and to meet privately to conduct business.

6.2 Resident Guests. Resident shall have the right to receive guests and visitors at the Community and to allow such guests and visitors to stay in an Independent Living Unit on a

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temporary basis, subject to the reasonable policies and procedures of FOX RUN VILLAGE for use of the Community. Guest meals, guest cots, or rental of one of the Community's guest rooms will be treated as an Ancillary Service, the costs of which are chargeable to Resident.

6.3 Physicians and Other Professionals. Resident shall have the right to select attending physicians and other health care professionals, provided such physicians or other health care professionals shall agree to follow the reasonable policies and procedures of FOX RUN VILLAGE and applicable federal and state laws, rules and regulations. Resident is not required to use the on-site Medical Center or the physicians practicing there.

Section 7. REFUNDABLE ENTRANCE DEPOSIT

7.1 Payment of Refundable Deposit. Resident shall pay to FOX RUN VILLAGE a total Entrance Deposit, as indicated in Schedule I, attached and incorporated hereto, on or before taking residence at the Community. FOX RUN VILLAGE does not require a joint resident Entrance Deposit if Joint Residents occupy the same Continuing Care Unit.

In the case of joint Residents, the Entrance Deposit shall be deemed to be a joint asset of the joint Residents with the right of survivorship and may be used for the care of either joint Resident.

7.2 Adjustments to Refundable Entrance Deposit. Resident will not be required to pay an additional or increased Entrance Deposit as long as Resident remains in the original Continuing Care Unit. Resident's Entrance Deposit may be increased only in the circumstances listed below.

7.2.1 If a Resident who has paid an Entrance Deposit for an Independent Living Unit transfers permanently to an Independent Living Unit requiring a higher Entrance Deposit, Resident shall pay to FOX RUN VILLAGE an additional deposit equal to the difference between the Entrance Deposit then in effect for the higher Entrance Deposit Independent Living Unit and the Entrance Deposit then in effect for the Resident's present Independent Living Unit.

7.2.2 If a Resident's spouse is accepted by FOX RUN VILLAGE as a new resident in the Community and is placed in a different Continuing Care Unit than that of Resident, the new spouse must pay an additional Entrance Deposit for the new Continuing Care Unit, and the new spouse must sign a separate Residence and Care Agreement for the new Continuing Care Unit.

Resident shall not be entitled to a refund or decrease of the Entrance Deposit due to any temporary or permanent transfer, for whatever reason, during the Term of this Agreement. However, Resident retains the right to a refund of the Entrance Deposit upon the termination of this Agreement, as discussed below.

7.3 Refund of Deposit Prior to Occupancy. Any portion of the Entrance Deposit paid prior to occupancy shall be refunded by FOX RUN VILLAGE to Resident or the Resident's legal representative, as appropriate, prior to occupancy in the following circumstances:

(1) Resident rescinds the Residence and Care Agreement for any reason;

(2) Resident dies before occupying the unit or is precluded from occupying the unit through illness, injury, or incapacity; or

(3) FOX RUN VILLAGE elects to terminate the Agreement if it is determined that Resident is ineligible for entrance into the Community.

The refund of the Entrance Deposit shall be made within thirty (30) days following the other party's receipt of notice of the termination of this Agreement. FOX RUN VILLAGE may deduct from the refund any costs of customizing the Continuing Care Unit, as set forth in a written agreement between Resident and FOX RUN VILLAGE. If one of Joint Residents dies prior to occupancy, the remaining Resident may, but is not required to, rescind this Agreement. The surviving Resident may request a different Continuing Care Unit, and FOX RUN VILLAGE will refund or charge any difference in the Entrance Deposit between the Units, provided this election is made in writing at least thirty (30) days prior to occupancy.

7.4 Refund of Deposit after Occupancy. After occupancy of the Continuing Care Unit and subject to the terms and conditions of Section 7.5 of this Agreement, FOX RUN VILLAGE shall pay a refund of the Entrance Deposit to the Resident as follows.

7.4.1 Refund during Lifetime.. These terms apply whether Resident or FOX RUN VILLAGE terminates the Agreement during Resident's lifetime. FOX RUN VILLAGE shall pay a refund of the Entrance Deposit after the fulfillment of the following conditions: (1) Resident has vacated and has removed all possessions from the Continuing Care Unit; (2) Resident has signed a unit release for the Continuing Care Unit; and (3) Resident has paid to FOX RUN VILLAGE all outstanding fees and charges. FOX RUN VILLAGE shall pay the refund of the Entrance Deposit to the beneficiaries named in a signed Refund of Entrance Deposit Form or, if there is no Refund of Entrance Deposit Form, to the Resident. The time for making the refund depends upon the date that notice of the termination is given by the terminating party to the other party and is described below:

(1) If the notice of termination is given within the first 30 days of occupancy, then Resident shall be entitled to a refund of the full Entrance Deposit within 30 days after the notice is given.

(2) If the notice is given within the first five months of occupancy, but after the first 30 days of occupancy, then Resident shall be entitled to a refund of the

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Unearned Portion of the Entrance Deposit within 30 days after the notice is given. The Earned Portion of the Entrance Deposit shall be paid within 30 days of the date that a new qualified Resident pays a new Entrance Deposit in full.

(3) If the notice is given during the sixth month of residency, then Resident shall be entitled to a refund of the Unearned Portion of the Entrance Deposit within 30 days after the Departure Date or upon re-sale of the Continuing Care Unit, whichever occurs first. The Earned Portion of the Entrance Deposit shall be paid within 30 days of the date that a new qualified Resident pays a new Entrance Deposit in full.

(4) If the notice is given after the sixth month of residency, Resident shall be entitled to a full refund of the Unearned Portion of the Entrance Deposit within 45 days after the Notice is given or upon re-sale of the Continuing Care Unit, whichever occurs first. The Earned Portion of the Entrance Deposit shall be paid within 30 days of the date that a new qualified Resident pays a new Entrance Deposit in full.

7.4.2 Refund due to Death of Resident. If Resident dies after the Occupancy Date, FOX RUN VILLAGE shall pay a refund of the Entrance Deposit within thirty (30) days after fulfillment of the following conditions: (1) the Resident's personal representative or family has removed all possessions from the Continuing Care Unit; (2) the Resident's personal representative or family has signed a unit release for the Continuing Care Unit; (3) the Resident's personal representative or family has paid all outstanding fees and charges; and (4) a qualified new resident has signed a new Residence and Care Agreement for the continuing Care Unit and has settled in full by paying a new entrance deposit.. The refund shall be payable by FOX RUN VILLAGE to the beneficiaries named in a duly executed Refund of Entrance Deposit Form or, if there is no Refund of Entrance Deposit Form, to the personal representative of Resident's estate. If one joint Residents dies, there will be no refund of the Entrance Deposit; instead, so long as a surviving Resident continues to reside at the Community, the Entrance Deposit shall be deemed to have been paid entirely on behalf of the surviving Resident to be used for the survivor's care if necessary, and will eventually be paid to the survivor, to the beneficiaries named in the survivor's Refund of Entrance Deposit Form, or to the personal representative of the survivor's estate.

Please be advised that FOX RUN VILLAGE is not obligated to refund the full Entrance Deposit until, or unless, another Resident has occupied the Continuing Care Unit.

7.5 Limitation on Amount of Refund. The amount of the refund which FOX RUN VILLAGE is obligated to pay to Resident or Resident's estate and which Resident or Resident's

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estate is entitled to receive shall normally be the amount of Resident's Entrance Deposit at termination minus any outstanding fees or charges unless paid separately. Outstanding Monthly Service Packages, Ancillary Fees, and Refurbishing Fees will not be automatically deducted from the Refund of the Entrance Deposit unless Resident or Resident's representative so directs. With respect to the refund of any Earned Portion of the Entrance Deposit, if Resident's Continuing Care Unit is not reoccupied within a reasonable period of time, in FOX RUN VILLAGE's sole discretion, by a qualified new resident with an Entrance Deposit equal to or greater than Resident's Entrance Deposit, then FOX RUN VILLAGE will so notify Resident or Resident's personal representative. Resident or Resident's personal representative may then direct FOX RUN VILLAGE to re-market the Continuing Care Unit for a discounted Entrance Deposit. The amount of the discounted Entrance Deposit, when received from a qualified new resident, minus the Unearned Portion already refunded, will constitute the amount of the refund of the Earned Portion of the Entrance Deposit to Resident.

Section 8. MONTHLY SERVICE PACKAGES

8.1 Monthly Service Packages. During the Term of this Agreement, Resident shall pay the applicable Fee for the Continuing Care Unit. As of the date of this Agreement, the applicable Monthly Service Package for the Resident's current Continuing Care Unit is shown on Schedule I. The Monthly Service Package is due and payable monthly, in advance, on or before the 10th day of each month; provided, however, that the Monthly Service Package for the month during which a Resident first takes occupancy of a Continuing Care Unit shall be payable in arrears on a pro-rated basis along with the payment of the Monthly Service Package for the first full calendar month occurring during the Term of this Agreement. If Resident fails to pay the Monthly Service Packages by the due date, FOX RUN VILLAGE shall assess a twenty dollar ($20) late fee per month.

8.2 Monthly Service Packages for Joint Residents. Joint Residents occupying the same Independent Living Unit shall pay one Independent Living Monthly Service Package and a Double Occupant Fee for each additional Joint Resident. If the Joint Residents occupy different Continuing Care Units, the Residents shall each pay the full Monthly Service Package for their respective Continuing Care Unit. This fee structure applies to Joint Residents who move to the Community together and to a Resident and a new spouse who are accepted to the Community on different dates.

8.3 Adjustments to Monthly Service Packages. The Independent Living Monthly Service Package, Assisted Living Monthly Service Package, Nursing Care Monthly Service Package, and Double Occupant Fee may be revised from time to time. FOX RUN VILLAGE generally adjusts fees on an annual basis after having evaluated such factors that it perceives to be relevant to the costs associated with operating the Community and other financial requirements. Normally such changes will be made to become effective on January 1 of the next calendar year upon 60 days notice to residents. However, in unusual circumstances, FOX RUN VILLAGE reserves the right at any time, upon sixty (60) days notice to Resident, to adjust the Monthly Service Packages to reflect any additional cost or liability for which there is no adequate, budgeted reserve, including, but not limited

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to, tax liability for real estate taxes relating to the Community, increased operating expenses, and inflation.

8.4 Monthly Service Package in Event of Temporary Transfer. In the event that Resident temporarily transfers to another Continuing Care Unit in the Community or to an Off-Site Facility, Resident shall pay the Monthly Service Package for Resident's permanent Continuing Care Unit in addition to the Monthly Service Package for the temporary Continuing Care Unit or the applicable fee(s) for the Off-Site Facility, as the case may be. Payment of the Monthly Service Package for Resident's permanent Continuing Care Unit assures that such permanent Continuing Care Unit will remain available to Resident during the time Resident is temporarily transferred. The Monthly Service Package for a temporary Continuing Care Unit at the Community shall be prorated on a daily basis for the period Resident is temporarily transferred.

During the time of the temporary transfer, Resident's Monthly Service Package for the permanent Continuing Care Unit shall be adjusted as follows: (1) if a single Resident transfers, the Monthly Service Package will be reduced by a single Non-Occupancy Credit; (2) if a single Joint Resident transfers, the Monthly Service Package will be reduced by the Double Occupant Fee, pro-rated; (3) if both Joint Residents transfer from a double occupancy Unit, the Monthly Service Package will be reduced by the Non-Occupancy Credit and the Double Occupant Fee, pro-rated; and (4) if both Joint Residents transfer, from different Continuing Care Units, each Resident's Monthly Service Package shall be reduced by the respective Non-Occupancy Credit.

Upon Resident's return to the permanent Continuing Care Unit, Resident shall continue to pay the current Monthly Service Package associated with such Continuing Care Unit and shall cease to pay the additional Monthly Service Package for the temporary Continuing Care Unit.

8.5 Monthly Service Package in Event of Permanent Transfer. In the event of a permanent transfer to another Continuing Care Unit, Resident shall be responsible for payment of the Monthly Service Package as follows:

(1) If Resident permanently transfers from one Independent Living Unit to another Independent Living Unit, Resident shall normally be responsible for payment of the Monthly Service Package for the original Independent Living Unit until it is vacated and all possessions are removed. However, if Resident vacates and removes all possessions from the original Independent Living Unit within ten (10) days of occupying the new Independent Living Unit, FOX RUN VILLAGE will waive further payment of the Monthly Service Package for the original Independent Living Unit as of the date that the new Independent Living Unit was occupied.

(2) If Resident permanently transfers from any Continuing Care Unit to an Assisted Living or a Care Center Unit, Resident shall normally be responsible for payment of the Monthly Service Package for the original Continuing Care Unit until it is vacated and all possessions

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are removed. However, if Resident vacates the original Continuing Care Unit within thirty (30) days of notice of the permanent transfer, FOX RUN VILLAGE will waive further payment of the Monthly Service Package for the original Continuing Care Unit as of the date of notice of the permanent transfer.

8.6 Monthly Service Package in Event of Termination of Agreement. If Resident terminates this Agreement, or if FOX RUN VILLAGE terminates this Agreement for good cause, or if this Agreement should terminate by reason of the death of a Resident, Resident shall be responsible for the payment of the Monthly Service Package for the vacated Continuing Care Unit, minus the Non-Occupancy Credit, as follows:

(1) If the Agreement is terminated within the first thirty (30) days of occupancy, and the unit is vacated within thirty (30) days of the notice of termination, no Monthly Service Package is due after the Departure Date; or

(2) If the Agreement is terminated after the first thirty (30) days of occupancy but before the first six (6) months of occupancy and the Unit is vacated within thirty (30) days of the notice of termination, Resident shall be responsible for payment of the Monthly Service Package for the vacated Continuing Care Unit until the lesser of: (a) all of the conditions for a full refund of the Entrance Deposit have been fulfilled; or (b) the total Monthly Service Packages reach a maximum limit of 10% of the entrance deposit up to the first $15,000. Thus, for residents vacating between the thirty (30) day to six (6) month period, the Monthly Service Packages will not exceed a total of $1,500.00.

(3) After the first six (6) months of occupancy, Resident shall be responsible for the payment of the Monthly Service Package for the vacated Continuing Care Unit, minus the Non-Occupancy Credit as applicable, until either (a) all the conditions for a full refund of the Entrance Deposit set forth in Section 7 of this Agreement have been fulfilled; or (b) ninety (90) days following the expiration of the appropriate ninety (90) day notice of termination period, whichever event shall occur first.

Section 9. OTHER FEES OR COSTS

9.1 Processing Fee. Resident shall pay or has paid to FOX RUN VILLAGE a processing fee of $_____ per applicant in connection with Resident's application for residence at the Community.

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9.2 Ancillary Services Fees. During the term of this Agreement, if Resident makes use of Ancillary Services, Resident shall pay fees to FOX RUN VILLAGE for the Ancillary Services (as described in Section 5) provided to Resident through FOX RUN VILLAGE. Fees for ancillary services which are provided by FOX RUN VILLAGE may be revised by FOX RUN VILLAGE from time to time, and such change shall take effect upon the giving of sixty (60) days notice of such increase to the Resident. Fees which are based on published rates (for example, Medicare rates) shall be revised upon the effectiveness of changes to such rates. All Ancillary Services provided by FOX RUN VILLAGE shall be billed to the Resident on the Resident's monthly statement, and payment shall be due by the 10th day of the month that Resident receives the an invoice for such services. If Resident fails to pay the Ancillary Fees by the due date, FOX RUN VILLAGE shall assess a twenty dollar ($20) late fee per month.

9.3 Other Services. Ancillary Services or other services not billed by FOX RUN VILLAGE and any other services arranged by the Resident shall be billed directly to the Resident, and FOX RUN VILLAGE shall have no responsibility for payment of or collecting payment for such services.

9.4 Refurbishing Fee. Each time Resident permanently vacates an Independent or Assisted Living Unit, irrespective of the length of time of occupancy, Resident shall pay a Refurbishing Fee to FOX RUN VILLAGE to cover the reasonable costs of cleaning and refurbishing the Continuing Care Unit, including but not limited to super-cleaning or replacement of carpeting, spackling and/or painting of walls, removing any customized improvements and generally restoring the Continuing Care Unit to its original condition, or any other appropriate repairs, at FOX RUN VILLAGE's discretion, to bring the Continuing Care Unit back to a like-new condition.

9.5 Medical and Other Insurance. Resident shall procure and maintain in force at Resident's own cost maximum coverage available to Resident under Medicare, Parts A & B. FOX RUN VILLAGE may accept documented equivalent coverage if Resident is not eligible for Medicare or is insured under other adequate programs. Supplemental insurance is not provided by FOX RUN VILLAGE. However, a supplemental ("medigap" type) insurance must be purchased and maintained by Resident at Resident's expense. Resident shall procure and maintain, at Resident's own expense, sufficient insurance coverage against damage of, loss to, or theft of Resident's personal property maintained at the Community, including personal liability coverage. Evidence of such insurance shall, at FOX RUN VILLAGE's request, be provided prior to occupancy. FOX RUN VILLAGE shall be responsible for insuring the Continuing Care Unit and fixtures in the Continuing Care Unit provided by FOX RUN VILLAGE, not including Resident's personal property.

9.6 Funeral Arrangements and Burial Expenses. Funeral arrangements and burial expenses are the responsibility of the Resident. FOX RUN VILLAGE will not make such arrangements or provide such services.

Section 10. FINANCIAL INABILITY TO PAY

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It is the policy of FOX RUN VILLAGE not to terminate a resident's occupancy for the resident's financial inability to pay provided that the resident is otherwise in compliance with the terms of such residents Residence and Care Agreement. To the extent that it is financially feasible and in FOX RUN VILLAGE's sole discretion, FOX RUN VILLAGE will endeavor to assist residents who are unable to pay full Monthly Service Packages by reducing Monthly Service Packages for such residents to an appropriate level.

To insure that its charitable intentions are equitably allocated for the benefit of as many residents as possible, FOX RUN VILLAGE requires that, in the event that Resident claims to be unable to make full monthly payment by reason of financial inability, Resident must take any or all of the following actions, as directed by the Executive Director.

10.1 If the Resident's sources of funds, including expenditures of principal and the guaranty, if any, are inadequate for the Resident to make the payments required under this Agreement, Resident shall file with the Executive Director, on appropriate forms provided by the Executive Director, a Statement of Financial Inability to Pay. As part of the Statement of Financial Inability, Resident shall disclose his or her remaining available assets and income. The Executive Director will review the resident's financial position to determine the existence of any outside assets, including any guaranty agreements, which may first be spent for Resident's care.

10.2 If Resident has outside assets other than the Entrance Deposit, the Executive Director will establish a Spending Plan for Resident to spend the outside assets and to obtain assistance from other available means. If Resident can qualify, Resident will take the necessary steps to obtain county, state, and federal aid or assistance including Medicare, public assistance and any other public benefit program. Resident agrees to execute any and all documents necessary to make and perfect such claims or rights. If Resident fails to cooperate with the Spending Plan for the outside assets, FOX RUN VILLAGE may terminate the Agreement for good cause.

10.3 After Resident has completed the Spending Plan or if Resident has no outside assets other than the Entrance Deposit, FOX RUN VILLAGE may spend-down the Entrance Deposit. The Executive Director will notify Resident if spend-down has been approved and will give the effective date. The Executive Director shall have sole discretion to determine the total amount of the spend-down for Resident, depending upon Resident's financial and health situation as well as the financial and health situation of a Joint Resident.

10.4 Upon completion of the spend-down of the Entrance Deposit, Resident may qualify for assistance from a resident benevolent care fund if such fund is established by FOX RUN VILLAGE in FOX RUN VILLAGE's sole discretion. If Resident is approved for such assistance, the Executive Director shall inform Resident of the amount which the resident benevolent care fund will contribute to the Monthly Service Packages and the amount which Resident must contribute to the Monthly Service Package.

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10.5 If requested by FOX RUN VILLAGE, Resident will transfer to an alternate Continuing Care Unit at the Community if and when available.

10.6 Resident will provide periodic statements of financial condition and copies of income tax returns as the same may be requested from time to time by FOX RUN VILLAGE. Resident will notify FOX RUN VILLAGE of any and all assets acquired by Resident through any means whatsoever thereafter, and will assign or pay such property received to FOX RUN VILLAGE, in an amount equivalent to the total outstanding charges and Fees, owed by Resident.

10.7 Resident will also apply for Medical Assistance if Resident can qualify. Resident agrees to execute any and all documents necessary to make and perfect such claims or rights.

Section 11. TRANSFERS

11.1 Temporary and Permanent Transfers. For the purposes of this Agreement, a temporary transfer is a transfer of an anticipated finite duration. During a temporary transfer, a Resident's permanent Continuing Care Unit shall remain available to Resident as long as Resident continues to pay the appropriate Monthly Service Packages. A permanent transfer is a transfer of indeterminate duration. During a permanent transfer, Resident shall be requested to release the Continuing Care Unit. After a permanent transfer, if Resident is able to return to the Continuing Care Unit previously occupied at the Community or to a different, medically appropriate, Continuing Care Unit at the Community, Resident shall have the right to occupy the Unit subject to availability of such Unit.

11.2 Transfer at the Election of Resident. Resident may elect to transfer on a temporary or permanent basis to an alternate Independent Living Unit, an Assisted Living Unit, a Care Center Unit, or to an Off-Site Facility by giving notice to FOX RUN VILLAGE. All transfers within the Community shall be subject to the availability of the elected alternate Unit and to the approval of FOX RUN VILLAGE. A permanent transfer to an Off-Site Facility shall not be deemed a termination of this Agreement unless Resident elects to terminate this Agreement pursuant to Section 12.1 of this Agreement.

11.3 Transfer at Election of FOX RUN VILLAGE: Non-Emergency. Any decisions regarding a transfer of Resident at the election of FOX RUN VILLAGE, except for emergency transfers, shall be made by a committee consisting of the Executive Director or his or her designee and the Medical Director or his or her designee (collectively referred to as the "Committee"). The Committee will consult with the Resident or his or her legal representative. If Resident has a Guarantor or ombudsman, such persons also will be consulted if Resident requests. FOX RUN VILLAGE attempts to interact with the Resident or Resident's representative with the goal of achieving a consensus on the need for a transfer although consensus in not always achieved.

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Resident shall not be transferred, temporarily or permanently, to a different Continuing Care Unit unless (1) in the opinion of the Committee, such transfer is deemed appropriate for the protection of the health or safety of Resident or the welfare of the other residents, or (2) in the opinion of the Committee, the transfer is deemed necessary due to financial inability to pay, or (3) in the case of a permanent transfer to an Off-Site Facility that provides treatment for mental disorders, the need for such transfer is certified by two physicians, or one physician and one psychologist. If the Resident is transferring due to event (1) or (3) listed above and the Continuing Care Unit is occupied by joint Residents, a remaining joint Resident may continue to occupy the Continuing Care Unit.

The Committee shall give Resident thirty (30) days advance written notice of the proposed transfer. Resident or his or her representative shall notify FOX RUN VILLAGE of any objection to the permanent transfer within ten (10) days of receipt of the notice. If the Resident or his or her representative do not consent to the transfer, the Committee may, in its discretion and in lieu of a transfer, require Ancillary Services be provided to the Resident if a higher level of care is deemed appropriate in the opinion of the Committee for the protection of the health or safety of the Resident or the welfare of the other Residents. If Resident or his or her representative do not consent to either the transfer or the Ancillary Services, FOX RUN VILLAGE may consider such refusal to constitute good cause for FOX RUN VILLAGE to terminate the Agreement.

11.3 Transfer at Election of FOX RUN VILLAGE: Emergency. If the health and safety of the Resident or the health and safety of other residents require immediate action, the Executive Director with the approval, if reasonably obtainable, of the Medical Director, may transfer Resident from the Resident's current Continuing Care Unit to a different Continuing Care Unit or to an Off-Site Facility, on a temporary or permanent basis. Emergency circumstances arise when there is a danger of immediate, irreparable harm to the health and safety of the Resident or to the health and safety of other people at the Community. In the event that Resident is required to be transferred to a Care Center Unit, an Assisted Living Unit, or an Off-Site Facility during a period that Resident is suffering from legal incompetency, Resident agrees to be bound by the terms of the applicable Agreement in effect at the time of such transfer.

11.4 Use of Continuing Care Unit. In the event of a temporary transfer, whether due to the election of Resident or of FOX RUN VILLAGE, Resident's prior Continuing Care Unit will remain available to Resident as long as Resident continues to pay the Monthly Service Package for the permanent Continuing Care Unit in accordance with Section 8.4.

In the event of a permanent transfer, whether due to the election of Resident or of FOX RUN VILLAGE, Resident or his or her representative shall sign and give to FOX RUN VILLAGE a Unit Release form, advising FOX RUN VILLAGE of the Departure Date for the Resident. Resident or his or her representative shall then be responsible to vacate the Continuing Care Unit and to remove all personal possessions from the Continuing Care Unit. FOX RUN VILLAGE shall have the right to

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show the Continuing Care Unit to interested applicants as of the date indicated in the Unit Release Form.

If Resident fails to vacate the Continuing Care Unit by the indicated Departure Date or, in the event of a transfer by FOX RUN VILLAGE, within sixty (60) days from the notice of transfer, FOX RUN VILLAGE shall have the right to store the Resident's possessions in a general storage area at the Community or to arrange for storage in a commercial storage facility, all at Resident's sole expense until disposition can be made. FOX RUN VILLAGE assumes no responsibility for Resident's stored possessions.

Section 12. TERMINATION

12.1 Termination by Resident. Resident may terminate this Agreement at any time and for any reason by giving notice to FOX RUN VILLAGE of his or her intention to terminate the Agreement and vacate the Continuing Care Unit. In order to expedite the resale of the Continuing Care Unit and the refund of the Entrance Deposit in accordance with Section 7 of this Agreement, FOX RUN VILLAGE requires thirty (30) days prior written notice for Residents who have occupied a Unit less than six (6) months and ninety (90) days prior written notice for Residents who have occupied a Unit for greater than six (6) months. If Resident terminates this Agreement and subsequently re-applies to the Community, FOX RUN VILLAGE will require Resident to complete the entire application process again.

12.2 Termination by FOX RUN VILLAGE. Any decision by FOX RUN VILLAGE to terminate this Agreement will be made by the Executive Director of the Community. FOX RUN VILLAGE may not terminate this Agreement without good cause. "Good Cause" is defined as: non-payment of Monthly Service Packages and charges; non-payment of Entrance Deposit or promissory note; breach of any material term of this Agreement; serious danger to the health and safety of Resident; serious interference with the health and safety of community living activities, recreation and fellowship of other residents; serious destruction of real and personal property of other residents. In accordance with FOX RUN VILLAGE's policy on financial inability to pay and to the extent that it is financially able (See Section 10 of this Agreement), FOX RUN VILLAGE will endeavor to assist residents who are unable to pay full Monthly Service Packages provided that such residents act in good faith and are otherwise in compliance with the terms of the Residence and Care Agreement.

Except for termination due to non-payment of fees, FOX RUN VILLAGE will give Resident sixty (60) days written notice of the termination and the reason for termination. In the event of non-payment of fees, FOX RUN VILLAGE will give written notice to the Resident that the Resident is in default under this Agreement for non-payment of fees. FOX RUN VILLAGE may charge Resident a late fee on the overdue amount per Sections 8.1 and 9.2 of the Agreement. If Resident fails to make full payment of all outstanding fees and charges within thirty (30) days of receipt of the notice, FOX RUN VILLAGE may, at its election, either terminate the Agreement upon an additional thirty (30) days' notice or may require a spend-down of the Entrance Deposit, in accordance with the

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Community's spend-down procedures as generally set forth in Section 10 of this Agreement, to offset the overdue fees and charges. Acceptance by FOX RUN VILLAGE of partial payment of the fees does not constitute a waiver of the outstanding fees and charges unless FOX RUN VILLAGE agrees to a waiver in writing.

12.3 Vacating the Unit. Upon termination of the Agreement either by election of Resident, election of FOX RUN VILLAGE, or due to the death of the Resident, Resident or his or her representative shall sign and give to FOX RUN VILLAGE a Unit Release form, advising FOX RUN VILLAGE of the Departure Date for the Resident. Resident or his or her representative shall then be responsible to vacate the Continuing Care Unit and to remove all personal possessions from the Continuing Care Unit. FOX RUN VILLAGE shall have the right to show the Continuing Care Unit to interested applicants as of the date indicated in the Unit Release Form.

If Resident fails to vacate the Continuing Care Unit by the indicated Departure Date or, in the event of a termination by FOX RUN VILLAGE, within the required time from the notice of termination as provided in Section 12.1, FOX RUN VILLAGE shall have the right to store the Resident's possessions in a general storage area at the Community or to arrange for storage in a commercial storage facility, all at Resident's expense until disposition can be made. FOX RUN VILLAGE assumes no responsibility for Resident's stored possessions.

Section 13. RIGHTS OF FOX RUN VILLAGE

13.1 Community Rules and Regulations. FOX RUN VILLAGE shall have the right to promulgate reasonable rules and regulations governing the conduct of the Residents. Resident shall enjoy the fullest measure of independence consistent with the accommodation in which Resident lives, subject, however, to the limitations of the reasonable policies and procedures now or hereafter adopted by FOX RUN VILLAGE for the conduct and care of all residents. Resident agrees to abide by all such policies and procedures, and generally to conduct himself or herself in such a manner as to promote the peace and harmony of the Community.

13.2 Access to Continuing Care Units at the Community. Resident acknowledges and accepts the responsibility of FOX RUN VILLAGE to enter Resident's Continuing Care Unit in order to carry out the purpose and intent of this Agreement and authorizes such entry. Such entry includes (1) performance of authorized housekeeping duties; (2) response to medical emergencies; (3) responses to fire protection systems; (4) entry by authorized personnel in the event that the Resident is reported missing or has not responded to a call; (5) scheduled maintenance activities; and (6) enforcement of the Community's policies and procedures. FOX RUN VILLAGE acknowledges and hereby agrees to respect Resident's right to privacy and agrees to limit uninvited entry into the Continuing Care Unit at the Community to emergency situations and scheduled or authorized work as set forth in this paragraph.

13.3 Property Rights. Resident acknowledges that, except as expressly set forth in this Agreement, the rights and privileges granted by this Agreement do not include any right, title or interest in any part of the personal property or real property - including land, buildings and improvements - owned, leased or administered by FOX RUN VILLAGE. Resident's rights are limited to the rights provided in this Agreement for services and the occupancy of the Continuing Care Units. Except for Resident's right to occupy the Continuing Care Unit, any rights, privileges or benefits under this Agreement shall be subordinate to any mortgage or deed of trust or leasehold interest on any of the premises or interest in real and personal property of FOX RUN VILLAGE, to all amendments, modifications, replacement or refunding, of any such mortgage or deed of trust or leasehold interest, and to such reasonable rules and regulations governing the use of the property as shall from time to time be imposed by FOX RUN VILLAGE. Resident hereby agrees, upon request of FOX RUN VILLAGE, to execute and deliver any document which is required to this effect by FOX RUN VILLAGE, or by the holder of such mortgage or deed of trust or leasehold interest to effect such subordination or to evidence the same, and appoints FOX RUN VILLAGE as Resident's attorney in fact to accomplish that purpose.

13.4 Limitation of Liability. FOX RUN VILLAGE shall not be responsible for the loss of any personal property belonging to the Resident due to theft or any other cause. The liability of FOX RUN VILLAGE for damage to or loss of Resident's personal property shall be limited to damage or loss caused by negligent acts or omissions of FOX RUN VILLAGE or of its employees acting within the scope of their employment.

13.5 Unauthorized Transfers of Property. The financial information submitted by or on behalf of Resident is a material aspect upon which FOX RUN VILLAGE is reasonably relying in determining Resident's qualifications for becoming a Resident of the Community. Being able to meet the minimum financial criteria to become a Resident helps assure the financial stability of this Community. Furthermore, FOX RUN VILLAGE is committed to take every reasonable step to assist a Resident who has depleted those assets through normal living expenditures so that he or she may continue to remain as a Resident of the Community. However, in order to protect FOX RUN VILLAGE from a situation wherein a Resident divests him/herself of those assets for the purpose of qualifying for assistance or reduction of Monthly Service Packages, Resident agrees not to divest him/herself of, sell, or transfer any assets or property interests (excluding expenditures for Resident's normal living expenses) that would result in a reduction in Resident's net worth (assets less liabilities) which is below the minimum criteria to become a Community resident, without having first obtained the written consent of FOX RUN VILLAGE.

13.6 Religious Affiliation and Sponsorship. There is no religious organization which maintains financial control over FOX RUN VILLAGE.

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Section 14. MISCELLANEOUS PROVISIONS

14.1 Documents Incorporated by Reference. This Agreement includes the Admissions Application for residence, the Financial Information Form, the Resident Information Form, including Resident's medical records, if any, and the Refund of Entrance Deposit Form. This Agreement may include a Promissory Note, a Guaranty Agreement, a Power of Attorney for property disposition, an Advance Directive, Appointment of Health Care Agent, or Living Will, and Resident's medical insurance documentation, all of which documents are incorporated by reference and made a part of this Agreement (see Schedule I attached hereto). If Resident enters an Assisted Living Unit or a Care Center Unit, then the Addendum for that level of care will also apply. Resident acknowledges that FOX RUN VILLAGE will rely on statements of Resident in these documents and warrants that all statements are true and complete to the best of Resident's knowledge.

14.2 Rules of Construction. In this Agreement, the masculine, feminine and neuter genders shall be construed to be interchangeable and shall include one another to the extent that such context is necessary to provide a logical or meaningful construction of the text. Similarly, the singular and plural shall be interchangeable and shall include one another to the extent that such context is necessary to provide a logical or meaningful construction of the text. Section captions are for ease of reference only.

14.3 Non-waiver. The failure of any party in any one or more instances to insist on the strict performance, observance or compliance by the other party with any of the terms or provisions of this Agreement, shall not be a continuing waiver thereof nor construed to be a waiver or relinquishment by a party of its rights to insist upon strict compliance by the other party with all of the terms and provisions of this Agreement.

14.4 Entire Agreement. This Agreement and the documents referenced in Section 14.1 represent the entire agreement between FOX RUN VILLAGE, Resident, and Guarantor, if any, and supersedes all prior Agreements and negotiations. Except as contained herein or in any contemporaneous, written agreements, there are no promises or agreements between the parties.

14.5 Amendment. This Agreement shall be amended only in writing, signed by FOX RUN VILLAGE and Resident.

14.6 Disclosure Statement. Resident hereby acknowledges that Resident received the latest disclosure statement of FOX RUN VILLAGE at least three (3) days before signing this Agreement or before transferring any money to FOX RUN VILLAGE, whichever is earlier, and has reviewed such statement.

14.7 Severability. The invalidity or unenforceability of any provision of this Agreement or the application of any such provision, shall not affect or impair any other provisions or the validity or enforceability of the remainder of this Agreement, or any application of any other provision of the

remainder of this Agreement; however, the Resident, to the extent provided by law, retains the right to rescind this Agreement if any provision is in violation of the laws of the State of Michigan as amended from time to time.

14.8 Paragraph Headings. Paragraph headings are added solely to aid in the review of this Agreement and are not to be construed to affect the interpretation of this Agreement.

14.9 Venue. All parties to this Agreement, including FOX RUN VILLAGE, Resident, and Guarantor(s), if any, agree that venue for any action for the enforcement, construction, rescission, termination of, or any action arising out of this Agreement shall be in Wayne County, Michigan. All parties agree that the filing of any action may include a request for an expedited hearing.

14.10. Assignment. In the event that FOX RUN VILLAGE or any of FOX RUN VILLAGE's successors or assigns shall give Resident notice that any or all of the rights, duties and obligations of FOX RUN VILLAGE have been assigned to a new person or entity registered as a continuing care FOX RUN VILLAGE under the laws of the State of Michigan to provide services at the Community, Resident agrees to recognize such new person or entity as FOX RUN VILLAGE under this Agreement, to the extent of such assignment.

IN WITNESS WHEREOF the parties have hereunto set their hands on the date appearing next to their respective signatures.

Receipt of Disclosure Statement: Resident hereby acknowledges that Resident received the latest Disclosure Statement of FOX RUN VILLAGE prior to signing this Agreement and has reviewed such statement.

Witness	Resident	Date
Witness	Resident	Date

SIGNATURES

This document is a legal contract. Signing this Agreement means that you are legally bound by its terms. Therefore, you should seek the advice of a legal or financial advisor.

FOX RUN VILLAGE, INC.

Witness	By:	Date
Witness	Resident	Date
Witness	Resident	Date

If applicable: Guarantors: I (We) _____ have read the provisions of this Agreement and by signing my (our) name(s) below, agree to guaranty Resident's obligations incurred under this Agreement in accordance with the Guaranty Agreement.

Witness	Guarantor	Date
Witness	Guarantor	Date

Schedule I
Schedule of Fees

Total Entrance Deposit for Unit: $ _____

Current Monthly Service Package for Unit: $ _____ per month

Current Processing Fee: $ _____ per applicant

Current Ancillary Fee Schedule: See next page

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SCHEDULE OF ANCILLARY FEES IN U.S. DOLLARS
ESIMATED (2001$)

Ancillary Fee	2001
Credit for absences per day (more than a week)	7.00
Second person occupancy	558.00
Dinner (Mon - Sat)	12.00
Sunday brunch	10.00
Special Event guest meal	16.00
Children's menu	6.00
Additional apartment key or mailbox key	3.00
Reserved parking per month	20.00
Reserved covered parking per month	30.00
Storage bin per month	5.00
Service per hour plus materials (half hour min)	25.00
Private Duty HHA service (4+ hr. period) hourly rt. **	18.00
Private Duty Couple Rate HHA service (1<4 hr. period) hourly rt. **	25.00
Wheelchair escort (one way)	5.00
Medication Reminder	7.00
Wanderguard	30.00

** Home Health Fees are doubled on all major holidays: New Years Day, Martin Luther King Day, Easter, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas Day.

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Schedule II

Documents Incorporated

A. Admissions Application for residence

B. Financial Information Form

C. Resident Information Form

D. Refund of Entrance Deposit Form

E. Agreement for Customized Improvements (if any)

F. Guaranty Agreement (if any)

G. Power of Attorney for property disposition (if any)

H. Advance Directive, Appointment of Health Care Agent , or Living Will (if any)

I. Resident's medical insurance documentation (if any)

J. Promissory Note (if any)

K. Unit Release and Unit Transfer-Release Forms

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NOVI CAMPUS, LLC
DEVELOPMENT AGREEMENT

Exhibit C
Development Plan

I. Phase Forecasts
II. Schedule of Estimated Completion Dates
III. Schedule of Entrance Deposits
IV. Phases I Through III Projected Cashflow
V. Marketing Proforma
VI. Site Plan
VII. Unallocated Expenses Forecast

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NOVI CAMPUS, LLC
DEVELOPMENT PLAN
Phase Forecasts
Prepared: January 16, 2002

EXHIBIT C
CONSTRUCTION PHASES

JDE Project #	Phase	Indp. No. of Units	HCC No. of Beds	Square Footage	Inflated Cost/sf $	Building Costs**	Sitework	Total Hard Costs	Construction Fees	Fees/ Permits	Architecture Costs	Engineering Costs	Builder's Risk 0.1%	Development Fees 5%	Estimated Contingency	Total Direct Costs	Entrance Deposits
MAPL	Masterplan									251,000	297,000	500,000	0		0	1,048,000	
MC10	Marketing Center Trailer					400,000		400,000	6,000		20,250	0	400		20,000	446,650	
SW10	Sitework 1						8,011,100	8,011,100	120,167			500,000	8,011		400,555	9,039,833	
GH10	Gatehouse 1			97		200,000		200,000	3,000	2,500	17,415		200		10,000	233,115	
CB10	Community Bldg 1.0/Pool			50,000	185.66	9,283,000		9,283,000	139,245	60,200	413,652		9,283		278,490	10,183,870	
RB11	Residential Building 1.1	0		123,560	84.87	10,486,537		10,486,537	157,298	449,180	225,694		10,487	1,135,940	314,596	12,779,733	22,718,800
RB12	Residential Building 1.2	0		114,500	84.87	9,717,615		9,717,615	145,764	428,060	224,998		9,718	1,135,414	291,528	11,953,097	22,708,280
RB13	Residential Building 1.3	0		130,800	87.42	11,434,538		11,434,538	171,518	461,680	192,366		11,435	1,208,167	343,036	13,822,718	24,163,340
PKD1	Parking Deck #1					1,170,979		1,170,979	17,565	15,566	108,587		1,171		35,129	1,348,998	
RB14	Residential Building 1.4	0		139,620	87.42	12,223,064		12,223,064	183,346	482,660	220,930		12,223	1,291,386	366,692	14,780,301	25,827,710
RB15	Residential Building 1.5	119		145,200	90.04	13,073,808		13,073,808	196,107	508,682	231,714		13,074	1,355,347	392,214	15,770,956	27,106,937
BR10	BR 1.0 (RB 1.2 to CB 1.0)			50	2,985.33	149,267		149,267	2,239		161,831		149		4,478	317,964	
BR20	BR 2.0 (RB 2.1 to CB 2.0)			150	3,167.14	475,071		475,071	7,126				475		14,252	496,924	
SW20	Sitework 2 (includes NH2)					0	6,237,349	6,237,349	93,560			500,000	6,237		311,867	7,149,014	
PKD2	Parking Deck #2					1,205,754		1,205,754	18,086	16,331	39,926		1,206		36,173	1,317,476	
RB21	Residential Building 2.1	140		163,360	90.04	14,708,934		14,708,934	220,634	585,750	274,394		14,709	1,595,703	441,288	17,841,392	31,914,055
EC10	Extended Care Phase 1		136	97,000	171.57	16,642,290		16,642,290	249,634	227,138	1,080,000		16,642	986,800	499,269	19,701,773	19,736,000
BR30	BR 3.0 (RB 2.3 to ECC 1)			137	3,262.15	446,915		446,915	6,704				447		13,407	467,473	
CB20	Community Building 2.0			50,000	202.87	10,618,571		10,618,571	159,279	63,683	527,148		10,619		318,557	11,697,857	
RB22	Residential Building 2.2	100		119,190	92.74	11,053,681		11,053,681	165,805	448,362	174,590		11,054	1,253,956	331,610	13,439,059	25,079,126
CB11	Transitional Spaces					150,000		150,000	2,250				150		4,500	156,900	
RB23	Residential Building 2.3	116		148,527	92.74	13,774,416		13,774,416	206,616	511,209	203,727		13,774	1,465,676	413,232	16,588,651	29,313,518
RB24	Residential Building 2.4	102		125,300	95.52	11,968,656		11,968,656	179,530	456,764	189,945		11,969	1,254,655	359,060	14,420,578	25,093,091
RB25	Residential Building 2.5	91		111,750	95.52	10,674,360		10,674,360	160,115	414,931	192,930		10,674	1,118,767	320,231	12,892,008	22,375,339
PKD3	Parking Deck #3					1,170,635		1,170,635	17,560	15,943	50,830		1,171		35,119	1,291,258	
CH10	Chapel			8,160	266.66	2,192,266		2,192,266	32,884		115,695		2,192		65,768	2,408,805	
MB10	Maintenance Building					400,000		400,000	6,000	13,599	8,840		400		12,000	440,639	
BR60	BR 6.0 (RB 3.2 to CB 3.0)			66	3,262.15	215,302		215,302	3,230				215		6,459	225,206	
BR70	BR 7.0 (CB 3.0 to RB 3.3)			60	3,460.82	207,649		207,649	3,115				208		6,229	217,201	
BR80	BR 8.0 (RB 3.3 to RB 3.4)			76	3,460.82	263,022		263,022	3,945				263		7,891	275,121	
BR40	BR 4.0 (RB 3.1 to RB 2.5)			99	3,360.02	332,642		332,642	4,990				333		9,979	347,944	
SW30	Sitework 3 (includes NH3)					0	3,442,931	3,442,931	51,644			500,000	3,443		172,147	4,170,165	
RB31	Residential Building 3.1	114		141,690	95.52	13,534,275		13,534,275	203,014	508,389	212,730		13,534	1,465,277	406,028	16,343,247	29,305,536
BR50	BR 5.0 (CB 3.1 to RB 3.2)			182	3,360.02	611,524		611,524	9,173				612		18,346	639,655	
CB30	Community Building 3.0			43,000	215.23	9,254,890		9,254,890	138,823	67,379	501,545		9,255		277,647	10,249,539	
RB32	Residential Building 3.2	87		103,852	98.39	10,218,028		10,218,028	153,270	409,128	239,632		10,218	1,165,015	306,541	12,501,832	23,300,295
RB33	Residential Building 3.3	109		121,000	98.39	11,905,190		11,905,190	178,578	499,906	175,697		11,905	1,382,835	357,156	14,511,266	27,656,895
RB34	Residential Building 3.4	93		103,936	101.34	10,532,874		10,532,874	157,993	450,231	138,785		10,533	1,196,333	315,986	12,802,735	23,926,663
EC20	Extended Care Phase 2		182	110,000	187.48	20,622,800		20,622,800	309,342	244,060	810,000		20,623	1,208,900	618,684	23,834,409	24,178,000
SW40	Sitework 4					0	1,648,486	1,648,486	24,727			0	1,648		49,455	1,724,318	
	Totals	1,071	318	2,151,563	28,845	241,318,551	19,339,869	260,658,420	3,909,876	7,592,321	7,050,653	2,000,000	260,680	20,220,169	8,185,580	309,677,680	404,403,385

NOVI CAMPUS, LLC

SCHEDULE OF ESTIMATED COMPLETION DATES

PREPARED: JANUARY 16, 2002

Project	Construction Start	Substantially Completed	Units
Masterplan	Jul-01		
Marketing Center Trailer	Jul-01	Oct-01	
Sitework 1	Mar-02	Jul-05	
Gatehouse 1	Jan-03	May-03	
Community Bldg 1.0/Pool	Jun-02	Jun-03	
Residential Building 1.1	Jun-02	Jun-03	103
Sitework 1B	Jan-00		
Residential Building 1.2	Oct-02	Oct-03	99
Off Sitework	Mar-02		
Residential Building 1.3	Apr-03	Mar-04	110
Parking Deck #1	Sep-04	Mar-05	
Residential Building 1.4	Sep-03	Sep-04	114
Residential Building 1.5	Apr-04	Mar-05	119
BR 1.0 (RB 1.2 to CB 1.0)	May-03	Oct-03	
BR 2.0 (RB 2.1 to CB 2.0)	Oct-05	Mar-06	
Sitework 2 (includes NH2)	Apr-04	Dec-07	
Parking Deck #2	Mar-06	Sep-06	
Residential Building 2.1	Sep-04	Sep-05	140
Extended Care Phase 1	Sep-05	Dec-06	136
BR 3.0 (RB 2.3 to ECC 1)	Jul-06	Dec-06	
Community Building 2.0	Mar-05	Mar-06	
Residential Building 2.2	May-05	Apr-06	100
Transitional Spaces	Apr-06	Jun-06	
Residential Building 2.3	Sep-05	Sep-06	116
Residential Building 2.4	Apr-06	Apr-07	102
Residential Building 2.5	Jul-06	Jul-07	91
Parking Deck #3	Sep-05	Mar-06	
Chapel	Oct-06	Aug-07	
Maintenance Building	Jul-06	Dec-06	
BR 6.0 (RB 3.2 to CB 3.0)	Apr-06	Sep-06	
BR 7.0 (CB 3.0 to RB 3.3)	Mar-08	Aug-08	
BR 8.0 (RB 3.3 to RB 3.4)	Sep-08	Feb-09	
BR 4.0 (RB 3.1 to RB 2.5)	May-07	Oct-07	
Sitework 3 (Includes NH3)	Oct-06	Jul-09	
Residential Building 3.1	Oct-06	Oct-07	114
BR 5.0 (CB 3.1 to RB 3.2)	Nov-07	Apr-08	
Community Building 3.0	Mar-07	Mar-08	
Residential Building 3.2	May-07	Apr-08	87
Residential Building 3.3	Aug-07	Aug-08	109
Residential Building 3.4	Mar-08	Feb-09	93
Extended Care Phase 2	Dec-08	Dec-09	182
Sitework 4	May-05	Feb-07	
Total			1815

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Jun-03

Residential Building 1.1		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	74,000	-	-
Efficiency	A3	Albright	91,000	-	-
Studio	B2	Abbott	113,000	-	-
Studio	B?	?	113,000	-	-
Studio	B4	Avalon	113,000	2	226,000
1 BR	C1	Brighton	156,000	22	3,432,000
1 BR	C5	Bradford	143,000	-	-
Large 1 BR	C2	Ellicott	180,000	-	-
Large 1 BR	C8	Dawson	179,000	2	358,000
Large 1 BR	C3	Dover	178,000	4	712,000
Large 1 BR	C4	Fremont	187,000	-	-
Large 1 BR	C7	Fenwick	171,000	2	342,000
Large 1 BR	C11	Easton	166,000	1	166,000
Large 1 BR	C12	?	192,000	-	-
Large 1 BR-1-1/2B	G10	Hamilton	211,000	3	633,000
1 BR & Den	D1	Georgetown	208,000	4	832,000
1 BR & Den	D2	Gilbert	208,000	4	832,000
1 BR & Den	D5	Glendale	208,000	-	-
1 BR & Den	D6	Gibson	208,000	4	832,000
2 BR-1B	E1	Flagstaff	196,000	3	588,000
2 BR-1B	E1m	Fallston	196,000	4	784,000
2 BR-1B	E2	Fairmont	207,000	7	1,449,000
2 BR-1B	E3	Franklin	218,000	-	-
2 BR-1B	G4	Harrison	218,000	8	1,744,000
2 BR-(1-1/2)B	E4	Hastings	242,000	7	1,694,000
1 BR-(1-1/2)B	H2	Heritage	208,000	-	-
2 BR-2B	F3	Kingston	275,000	5	1,375,000
2 BR-2B Large	F4	Manchester	315,000	10	3,150,000
2 BR-2B with Den	F6	Monterey	315,000	-	-
2 BR-2B with Den	F8	Worthington	315,000	-	-
2 BR-2B	G6	Jackson	275,000	6	1,650,000
2 BR-2B Large	H1	Lancaster	368,000	5	1,840,000
2 BR-2B Large	J3	Washington	376,000	-	-
Projected Deposits without Amenities				**103**	**22,639,000**
Total Amenities					**79,800**
Total Projected Deposits					**22,718,800**

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NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Oct-03

Residential Building 1.2

		Unit Name	Deposit Per Unit	Number of Units	Amount of Deposits
Efficiency	A1	Addison	74,000	-	-
Efficiency	A3	Albright	91,000	1	91,000
Studio	B2	Abbott	113,000	-	-
Studio	B?	?	113,000	-	-
Studio	B4	Avalon	113,000	-	-
1 BR	C1	Brighton	156,000	17	2,652,000
1 BR	C5	Bradford	143,000	-	-
Large 1 BR	C2	Ellicott	180,000	-	-
Large 1 BR	C8	Dawson	179,000	2	358,000
Large 1 BR	C3	Dover	178,000	-	-
Large 1 BR	C4	Fremont	187,000	5	935,000
Large 1 BR	C7	Fenwick	171,000	-	-
Large 1 BR	C11	Easton	166,000	-	-
Large 1 BR	C12	?	192,000	-	-
Large 1 BR-1-1/2B	G10	Hamilton	211,000	5	1,055,000
1 BR & Den	D1	Georgetown	208,000	3	624,000
1 BR & Den	D2	Gilbert	208,000	3	624,000
1 BR & Den	D5	Glendale	208,000	-	-
1 BR & Den	D6	Gibson	208,000	-	-
2 BR-1B	E1	Flagstaff	196,000	10	1,960,000
2 BR-1B	E1m	Fallston	196,000	-	-
2 BR-1B	E2	Fairmont	207,000	8	1,656,000
2 BR-1B	E3	Franklin	218,000	-	-
2 BR-1B	G4	Harrison	218,000	7	1,526,000
2 BR-(1-1/2)B	E4	Hastings	242,000	5	1,210,000
1 BR-(1-1/2)B	H2	Heritage	208,000	-	-
2 BR-2B	F3	Kingston	275,000	10	2,750,000
2 BR-2B Large	F4	Manchester	315,000	10	3,150,000
2 BR-2B with Den	F6	Monterey	315,000	-	-
2 BR-2B with Den	F8	Worthington	315,000	-	-
2 BR-2B	G6	Jackson	275,000	8	2,200,000
2 BR-2B Large	H1	Lancaster	368,000	5	1,840,000
2 BR-2B Large	J3	Washington	376,000	-	-
Projected Deposits without Amenities				**99**	**22,631,000**
Total Amenities					**77,280**
Total Projected Deposits					**22,708,280**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Mar-04

Residential Building 1.3		Unit Name	Deposit Per Unit	Number of Units	Amount of Deposits
Efficiency	A1	Addison	76,220	-	-
Efficiency	A3	Albright	93,730	-	-
Studio	B2	Abbott	116,390	-	-
Studio	B?	?	116,390	-	-
Studio	B4	Avalon	116,390	-	-
1 BR	C1	Brighton	160,680	18	2,892,240
1 BR	C5	Bradford	147,290	-	-
Large 1 BR	C2	Ellicott	185,400	-	-
Large 1 BR	C8	Dawson	184,370	2	368,740
Large 1 BR	C3	Dover	183,340	5	916,700
Large 1 BR	C4	Fremont	192,610	6	1,155,660
Large 1 BR	C7	Fenwick	176,130	-	-
Large 1 BR	C11	Easton	170,980	-	-
Large 1 BR	C12	?	197,760	-	-
Large 1 BR-1-1/2B	G10	Hamilton	217,330	5	1,086,650
1 BR & Den	D1	Georgetown	214,240	5	1,071,200
1 BR & Den	D2	Gilbert	214,240	4	856,960
1 BR & Den	D5	Glendale	214,240	-	-
1 BR & Den	D6	Gibson	214,240	6	1,285,440
2 BR-1B	E1	Flagstaff	201,880	11	2,220,680
2 BR-1B	E1m	Fallston	201,880	6	1,211,280
2 BR-1B	E2	Fairmont	213,210	10	2,132,100
2 BR-1B	E3	Franklin	224,540	-	-
2 BR-1B	G4	Harrison	224,540	10	2,245,400
2 BR-(1-1/2)B	E4	Hastings	249,260	5	1,246,300
1 BR-(1-1/2)B	H2	Heritage	214,240	-	-
2 BR-2B	F3	Kingston	283,250	5	1,416,250
2 BR-2B Large	F4	Manchester	324,450	-	-
2 BR-2B with Den	F6	Monterey	324,450	-	-
2 BR-2B with Den	F8	Worthington	324,450	-	-
2 BR-2B	G6	Jackson	283,250	6	1,699,500
2 BR-2B Large	H1	Lancaster	379,040	6	2,274,240
2 BR-2B Large	J3	Washington	387,280	-	-
Projected Deposits without Amenities				**110**	**24,079,340**
Total Amenities					**84,000**
Total Projected Deposits					**24,163,340**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Sep-04

Residential Building 1.4		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	76,220	-	-
Efficiency	A3	Albright	93,730	1	93,730
Studio	B2	Abbott	116,390	-	-
Studio	B?	?	116,390	-	-
Studio	B4	Avalon	116,390	-	-
1 BR	C1	Brighton	160,680	15	2,410,200
1 BR	C5	Bradford	147,290	-	-
Large 1 BR	C2	Ellicott	185,400	2	370,800
Large 1 BR	C8	Dawson	184,370	2	368,740
Large 1 BR	C3	Dover	183,340	-	-
Large 1 BR	C4	Fremont	192,610	11	2,118,710
Large 1 BR	C7	Fenwick	176,130	1	176,130
Large 1 BR	C11	Easton	170,980	-	-
Large 1 BR	C12	?	197,760	-	-
Large 1 BR-1-1/2B	G10	Hamilton	217,330	4	869,320
1 BR & Den	D1	Georgetown	214,240	5	1,071,200
1 BR & Den	D2	Gilbert	214,240	-	-
1 BR & Den	D5	Glendale	214,240	-	-
1 BR & Den	D6	Gibson	214,240	5	1,071,200
2 BR-1B	E1	Flagstaff	201,880	11	2,220,680
2 BR-1B	E1m	Fallston	201,880	5	1,009,400
2 BR-1B	E2	Fairmont	213,210	9	1,918,890
2 BR-1B	E3	Franklin	224,540	4	898,160
2 BR-1B	G4	Harrison	224,540	6	1,347,240
2 BR-(1-1/2)B	E4	Hastings	249,260	7	1,744,820
1 BR-(1-1/2)B	H2	Heritage	214,240	-	-
2 BR-2B	F3	Kingston	283,250	5	1,416,250
2 BR-2B Large	F4	Manchester	324,450	-	-
2 BR-2B with Den	F6	Monterey	324,450	-	-
2 BR-2B with Den	F8	Worthington	324,450	5	1,622,250
2 BR-2B	G6	Jackson	283,250	11	3,115,750
2 BR-2B Large	H1	Lancaster	379,040	5	1,895,200
2 BR-2B Large	J3	Washington	387,280	-	-
Projected Deposits without Amenities				**114**	**25,738,670**
Total Amenities					**89,040**
Total Projected Deposits					**25,827,710**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Mar-05

Residential Building 1.5		Unit Name	Deposit Per Unit	Number of Units	Amount of Deposits
Efficiency	A1	Addison	78,507	-	-
Efficiency	A3	Albright	96,542	-	-
Studio	B2	Abbott	119,882	-	-
Studio	B?	?	119,882	-	-
Studio	B4	Avalon	119,882	2	239,763
1 BR	C1	Brighton	165,500	21	3,475,508
1 BR	C5	Bradford	151,709	-	-
Large 1 BR	C2	Ellicott	190,962	-	-
Large 1 BR	C8	Dawson	189,901	2	379,802
Large 1 BR	C3	Dover	188,840	-	-
Large 1 BR	C4	Fremont	198,388	5	991,942
Large 1 BR	C7	Fenwick	181,414	-	-
Large 1 BR	C11	Easton	176,109	-	-
Large 1 BR	C12	?	203,693	-	-
Large 1 BR-1-1/2B	G10	Hamilton	223,850	6	1,343,099
1 BR & Den	D1	Georgetown	220,667	6	1,324,003
1 BR & Den	D2	Gilbert	220,667	5	1,103,336
1 BR & Den	D5	Glendale	220,667	-	-
1 BR & Den	D6	Gibson	220,667	5	1,103,336
2 BR-1B	E1	Flagstaff	207,936	5	1,039,682
2 BR-1B	E1m	Fallston	207,936	5	1,039,682
2 BR-1B	E2	Fairmont	219,606	9	1,976,457
2 BR-1B	E3	Franklin	231,276	6	1,387,657
2 BR-1B	G4	Harrison	231,276	8	1,850,210
2 BR-(1-1/2)B	E4	Hastings	256,738	11	2,824,116
1 BR-(1-1/2)B	H2	Heritage	220,667	1	220,667
2 BR-2B	F3	Kingston	291,748	11	3,209,223
2 BR-2B Large	F4	Manchester	334,184	-	-
2 BR-2B with Den	F6	Monterey	334,184	-	-
2 BR-2B with Den	F8	Worthington	334,184	-	-
2 BR-2B	G6	Jackson	291,748	8	2,333,980
2 BR-2B Large	H1	Lancaster	390,411	3	1,171,234
2 BR-2B Large	J3	Washington	398,898	-	-
Projected Deposits without Amenities				**119**	**27,013,697**
Total Amenities					**93,240**
Total Projected Deposits					**27,106,937**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Sep-05

Residential Building 2.1		Unit Name	Deposit Per Unit	Number of Units	Amount of Deposits
Efficiency	A1	Addison	78,507	-	-
Efficiency	A3	Albright	96,542	-	-
Studio	B2	Abbott	119,882	-	-
Studio	B?	?	119,882	-	-
Studio	B4	Avalon	119,882	1	119,882
1 BR	C1	Brighton	165,500	22	3,641,009
1 BR	C5	Bradford	151,709	-	-
Large 1 BR	C2	Ellicott	190,962	-	-
Large 1 BR	C8	Dawson	189,901	2	379,802
Large 1 BR	C3	Dover	188,840	5	944,201
Large 1 BR	C4	Fremont	198,388	10	1,983,883
Large 1 BR	C7	Fenwick	181,414	2	362,828
Large 1 BR	C11	Easton	176,109	6	1,056,656
Large 1 BR	C12	?	203,693	-	-
Large 1 BR-1-1/2B	G10	Hamilton	223,850	-	-
1 BR & Den	D1	Georgetown	220,667	4	882,669
1 BR & Den	D2	Gilbert	220,667	4	882,669
1 BR & Den	D5	Glendale	220,667	-	-
1 BR & Den	D6	Gibson	220,667	11	2,427,339
2 BR-1B	E1	Flagstaff	207,936	5	1,039,682
2 BR-1B	E1m	Fallston	207,936	11	2,287,300
2 BR-1B	E2	Fairmont	219,606	9	1,976,457
2 BR-1B	E3	Franklin	231,276	5	1,156,381
2 BR-1B	G4	Harrison	231,276	1	231,276
2 BR-(1-1/2)B	E4	Hastings	256,738	12	3,080,854
1 BR-(1-1/2)B	H2	Heritage	220,667	-	-
2 BR-2B	F3	Kingston	291,748	6	1,750,485
2 BR-2B Large	F4	Manchester	334,184	-	-
2 BR-2B with Den	F6	Monterey	334,184	-	-
2 BR-2B with Den	F8	Worthington	334,184	-	-
2 BR-2B	G6	Jackson	291,748	18	5,251,455
2 BR-2B Large	H1	Lancaster	390,411	6	2,342,467
2 BR-2B Large	J3	Washington	398,898	-	-
Projected Deposits without Amenities				**140**	**31,797,295**
Total Amenities					**116,760**
Total Projected Deposits					**31,914,055**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Apr-06

Residential Building 2.2		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	80,862	-	-
Efficiency	A3	Albright	99,438	1	99,438
Studio	B2	Abbott	123,478	5	617,391
Studio	B?	?	123,478	-	-
Studio	B4	Avalon	123,478	-	-
1 BR	C1	Brighton	170,465	15	2,556,981
1 BR	C5	Bradford	156,260	-	-
Large 1 BR	C2	Ellicott	196,691	-	-
Large 1 BR	C8	Dawson	195,598	1	195,598
Large 1 BR	C3	Dover	194,505	5	972,527
Large 1 BR	C4	Fremont	204,340	-	-
Large 1 BR	C7	Fenwick	186,856	1	186,856
Large 1 BR	C11	Easton	181,393	-	-
Large 1 BR	C12	?	209,804	-	-
Large 1 BR-1-1/2B	G10	Hamilton	230,565	-	-
1 BR & Den	D1	Georgetown	227,287	-	-
1 BR & Den	D2	Gilbert	227,287	-	-
1 BR & Den	D5	Glendale	227,287	5	1,136,436
1 BR & Den	D6	Gibson	227,287	5	1,136,436
2 BR-1B	E1	Flagstaff	214,174	-	-
2 BR-1B	E1m	Fallston	214,174	5	1,070,872
2 BR-1B	E2	Fairmont	226,194	4	904,778
2 BR-1B	E3	Franklin	238,214	-	-
2 BR-1B	G4	Harrison	238,214	9	2,143,930
2 BR-(1-1/2)B	E4	Hastings	264,440	10	2,644,399
1 BR-(1-1/2)B	H2	Heritage	227,287	-	-
2 BR-2B	F3	Kingston	300,500	5	1,502,500
2 BR-2B Large	F4	Manchester	344,209	10	3,442,090
2 BR-2B with Den	F6	Monterey	344,209	-	-
2 BR-2B with Den	F8	Worthington	344,209	4	1,376,836
2 BR-2B	G6	Jackson	300,500	10	3,004,999
2 BR-2B Large	H1	Lancaster	402,124	5	2,010,618
2 BR-2B Large	J3	Washington	410,865	-	-
Projected Deposits without Amenities				**100**	**25,002,686**
Total Amenities					**76,440**
Total Projected Deposits					**25,079,126**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Sep-06

Residential Building 2.3		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	80,862	-	-
Efficiency	A3	Albright	99,438	-	-
Studio	B2	Abbott	123,478	-	-
Studio	B?	?	123,478	1	123,478
Studio	B4	Avalon	123,478	-	-
1 BR	C1	Brighton	170,465	12	2,045,585
1 BR	C5	Bradford	156,260	6	937,560
Large 1 BR	C2	Ellicott	196,691	1	196,691
Large 1 BR	C8	Dawson	195,598	1	195,598
Large 1 BR	C3	Dover	194,505	-	-
Large 1 BR	C4	Fremont	204,340	5	1,021,700
Large 1 BR	C7	Fenwick	186,856	-	-
Large 1 BR	C11	Easton	181,393	1	181,393
Large 1 BR	C12	?	209,804	5	1,049,018
Large 1 BR-1-1/2B	G10	Hamilton	230,565	4	922,262
1 BR & Den	D1	Georgetown	227,287	5	1,136,436
1 BR & Den	D2	Gilbert	227,287	-	-
1 BR & Den	D5	Glendale	227,287	-	-
1 BR & Den	D6	Gibson	227,287	5	1,136,436
2 BR-1B	E1	Flagstaff	214,174	5	1,070,872
2 BR-1B	E1m	Fallston	214,174	5	1,070,872
2 BR-1B	E2	Fairmont	226,194	5	1,130,972
2 BR-1B	E3	Franklin	238,214	4	952,858
2 BR-1B	G4	Harrison	238,214	7	1,667,501
2 BR-(1-1/2)B	E4	Hastings	264,440	16	4,231,039
1 BR-(1-1/2)B	H2	Heritage	227,287	1	227,287
2 BR-2B	F3	Kingston	300,500	-	-
2 BR-2B Large	F4	Manchester	344,209	12	4,130,508
2 BR-2B with Den	F6	Monterey	344,209	-	-
2 BR-2B with Den	F8	Worthington	344,209	5	1,721,045
2 BR-2B	G6	Jackson	300,500	-	-
2 BR-2B Large	H1	Lancaster	402,124	4	1,608,494
2 BR-2B Large	J3	Washington	410,865	6	2,465,192
Projected Deposits without Amenities				**116**	**29,222,798**
Total Amenities					**90,720**
Total Projected Deposits					**29,313,518**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Apr-07

Residential Building 2.4		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	83,288	-	-
Efficiency	A3	Albright	102,421	-	-
Studio	B2	Abbott	127,182	-	-
Studio	B?	?	127,182	-	-
Studio	B4	Avalon	127,182	4	508,730
1 BR	C1	Brighton	175,579	19	3,336,008
1 BR	C5	Bradford	160,948	6	965,687
Large 1 BR	C2	Ellicott	202,592	-	-
Large 1 BR	C8	Dawson	201,466	2	402,932
Large 1 BR	C3	Dover	200,341	-	-
Large 1 BR	C4	Fremont	210,470	5	1,052,351
Large 1 BR	C7	Fenwick	192,462	-	-
Large 1 BR	C11	Easton	186,834	-	-
Large 1 BR	C12	?	216,098	-	-
Large 1 BR-1-1/2B	G10	Hamilton	237,482	-	-
1 BR & Den	D1	Georgetown	234,106	4	936,423
1 BR & Den	D2	Gilbert	234,106	4	936,423
1 BR & Den	D5	Glendale	234,106	-	-
1 BR & Den	D6	Gibson	234,106	5	1,170,529
2 BR-1B	E1	Flagstaff	220,600	-	-
2 BR-1B	E1m	Fallston	220,600	5	1,102,999
2 BR-1B	E2	Fairmont	232,980	10	2,329,803
2 BR-1B	E3	Franklin	245,361	5	1,226,805
2 BR-1B	G4	Harrison	245,361	3	736,083
2 BR-(1-1/2)B	E4	Hastings	272,373	5	1,361,866
1 BR-(1-1/2)B	H2	Heritage	234,106	-	-
2 BR-2B	F3	Kingston	309,515	6	1,857,090
2 BR-2B Large	F4	Manchester	354,535	-	-
2 BR-2B with Den	F6	Monterey	354,535	-	-
2 BR-2B with Den	F8	Worthington	354,535	-	-
2 BR-2B	G6	Jackson	309,515	8	2,476,119
2 BR-2B Large	H1	Lancaster	414,187	5	2,070,936
2 BR-2B Large	J3	Washington	423,191	6	2,539,148
Projected Deposits without Amenities				**102**	**25,009,931**
Total Amenities					**83,160**
Total Projected Deposits					**25,093,091**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Jul-07

Residential Building 2.5		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	83,288	-	-
Efficiency	A3	Albright	102,421	-	-
Studio	B2	Abbott	127,182	-	-
Studio	B?	?	127,182	-	-
Studio	B4	Avalon	127,182	1	127,182
1 BR	C1	Brighton	175,579	18	3,160,429
1 BR	C5	Bradford	160,948	-	-
Large 1 BR	C2	Ellicott	202,592	-	-
Large 1 BR	C8	Dawson	201,466	1	201,466
Large 1 BR	C3	Dover	200,341	4	801,362
Large 1 BR	C4	Fremont	210,470	5	1,052,351
Large 1 BR	C7	Fenwick	192,462	-	-
Large 1 BR	C11	Easton	186,834	-	-
Large 1 BR	C12	?	216,098	-	-
Large 1 BR-1-1/2B	G10	Hamilton	237,482	-	-
1 BR & Den	D1	Georgetown	234,106	4	936,423
1 BR & Den	D2	Gilbert	234,106	3	702,317
1 BR & Den	D5	Glendale	234,106	-	-
1 BR & Den	D6	Gibson	234,106	5	1,170,529
2 BR-1B	E1	Flagstaff	220,600	5	1,102,999
2 BR-1B	E1m	Fallston	220,600	5	1,102,999
2 BR-1B	E2	Fairmont	232,980	3	698,941
2 BR-1B	E3	Franklin	245,361	-	-
2 BR-1B	G4	Harrison	245,361	9	2,208,248
2 BR-(1-1/2)B	E4	Hastings	272,373	4	1,089,493
1 BR-(1-1/2)B	H2	Heritage	234,106	-	-
2 BR-2B	F3	Kingston	309,515	10	3,095,149
2 BR-2B Large	F4	Manchester	354,535	-	-
2 BR-2B with Den	F6	Monterey	354,535	-	-
2 BR-2B with Den	F8	Worthington	354,535	-	-
2 BR-2B	G6	Jackson	309,515	9	2,785,634
2 BR-2B Large	H1	Lancaster	414,187	5	2,070,936
2 BR-2B Large	J3	Washington	423,191	-	-
Projected Deposits without Amenities				**91**	**22,306,459**
Total Amenities					**68,880**
Total Projected Deposits					**22,375,339**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Oct-07

Residential Building 3.1		Unit Name	Deposit Per Unit	Number of Units	Amount of Deposits
Efficiency	A1	Addison	83,288	-	-
Efficiency	A3	Albright	102,421	-	-
Studio	B2	Abbott	127,182	-	-
Studio	B?	?	127,182	-	-
Studio	B4	Avalon	127,182	-	-
1 BR	C1	Brighton	175,579	17	2,984,849
1 BR	C5	Bradford	160,948	4	643,791
Large 1 BR	C2	Ellicott	202,592	-	-
Large 1 BR	C8	Dawson	201,466	2	402,932
Large 1 BR	C3	Dover	200,341	-	-
Large 1 BR	C4	Fremont	210,470	11	2,315,172
Large 1 BR	C7	Fenwick	192,462	2	384,924
Large 1 BR	C11	Easton	186,834	-	-
Large 1 BR	C12	?	216,098	-	-
Large 1 BR-1-1/2B	G10	Hamilton	237,482	-	-
1 BR & Den	D1	Georgetown	234,106	5	1,170,529
1 BR & Den	D2	Gilbert	234,106	5	1,170,529
1 BR & Den	D5	Glendale	234,106	-	-
1 BR & Den	D6	Gibson	234,106	5	1,170,529
2 BR-1B	E1	Flagstaff	220,600	11	2,426,597
2 BR-1B	E1m	Fallston	220,600	5	1,102,999
2 BR-1B	E2	Fairmont	232,980	8	1,863,843
2 BR-1B	E3	Franklin	245,361	-	-
2 BR-1B	G4	Harrison	245,361	2	490,722
2 BR-(1-1/2)B	E4	Hastings	272,373	-	-
1 BR-(1-1/2)B	H2	Heritage	234,106	-	-
2 BR-2B	F3	Kingston	309,515	6	1,857,090
2 BR-2B Large	F4	Manchester	354,535	12	4,254,423
2 BR-2B with Den	F6	Monterey	354,535	-	-
2 BR-2B with Den	F8	Worthington	354,535	-	-
2 BR-2B	G6	Jackson	309,515	9	2,785,634
2 BR-2B Large	H1	Lancaster	414,187	5	2,070,936
2 BR-2B Large	J3	Washington	423,191	5	2,115,957
Projected Deposits without Amenities				**114**	**29,211,456**
Total Amenities					**94,080**
Total Projected Deposits					**29,305,536**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Apr-08

Residential Building 3.2		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	85,786	-	-
Efficiency	A3	Albright	105,494	-	-
Studio	B2	Abbott	130,998	-	-
Studio	B?	?	130,998	-	-
Studio	B4	Avalon	130,998	-	-
1 BR	C1	Brighton	180,847	7	1,265,927
1 BR	C5	Bradford	165,776	4	663,105
Large 1 BR	C2	Ellicott	208,669	-	-
Large 1 BR	C8	Dawson	207,510	1	207,510
Large 1 BR	C3	Dover	206,351	5	1,031,754
Large 1 BR	C4	Fremont	216,784	5	1,083;921
Large 1 BR	C7	Fenwick	198,236	2	396,472
Large 1 BR	C11	Easton	192,439	-	-
Large 1 BR	C12	?	222,581	-	-
Large 1 BR-1-1/2B	G10	Hamilton	244,607	-	-
1 BR & Den	D1	Georgetown	241,129	4	964,516
1 BR & Den	D2	Gilbert	241,129	4	964,516
1 BR & Den	D5	Glendale	241,129	-	-
1 BR & Den	D6	Gibson	241,129	5	1,205,645
2 BR-1B	E1	Flagstaff	227,218	5	1,136,089
2 BR-1B	E1m	Fallston	227,218	5	1,136,089
2 BR-1B	E2	Fairmont	239,970	4	959,879
2 BR-1B	E3	Franklin	252,722	-	-
2 BR-1B	G4	Harrison	252,722	-	-
2 BR-(1-1/2)B	E4	Hastings	280,544	11	3,085,988
1 BR-(1-1/2)B	H2	Heritage	241,129	-	-
2 BR-2B	F3	Kingston	318,800	5	1,594,002
2 BR-2B Large	F4	Manchester	365,171	-	-
2 BR-2B with Den	F6	Monterey	365,171	3	1,095,514
2 BR-2B with Den	F8	Worthington	365,171	-	-
2 BR-2B	G6	Jackson	318,800	8	2,550,403
2 BR-2B Large	H1	Lancaster	426,613	4	1,706,451
2 BR-2B Large	J3	Washington	435,887	5	2,179,435
Projected Deposits without Amenities				**87**	**23,227,215**
Total Amenities					**73,080**
Total Projected Deposits					**23,300,295**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Aug-08

Residential Building 3.3		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	85,786	-	-
Efficiency	A3	Albright	105,494	-	-
Studio	B2	Abbott	130,998	-	-
Studio	B?	?	130,998	-	-
Studio	B4	Avalon	130,998	-	-
1 BR	C1	Brighton	180,847	18	3,255,242
1 BR	C5	Bradford	165,776	-	-
Large 1 BR	C2	Ellicott	208,669	1	208,669
Large 1 BR	C8	Dawson	207,510	2	415,020
Large 1 BR	C3	Dover	206,351	5	1,031,754
Large 1 BR	C4	Fremont	216,784	5	1,083,921
Large 1 BR	C7	Fenwick	198,236	-	-
Large 1 BR	C11	Easton	192,439	1	192,439
Large 1 BR	C12	?	222,581	-	-
Large 1 BR-1-1/2B	G10	Hamilton	244,607	4	978,427
1 BR & Den	D1	Georgetown	241,129	3	723,387
1 BR & Den	D2	Gilbert	241,129	3	723,387
1 BR & Den	D5	Glendale	241,129	-	-
1 BR & Den	D6	Gibson	241,129	5	1,205,645
2 BR-1B	E1	Flagstaff	227,218	5	1,136,089
2 BR-1B	E1m	Fallston	227,218	5	1,136,089
2 BR-1B	E2	Fairmont	239,970	8	1,919,758
2 BR-1B	E3	Franklin	252,722	4	1,010,887
2 BR-1B	G4	Harrison	252,722	6	1,516,330
2 BR-(1-1/2)B	E4	Hastings	280,544	9	2,524,899
1 BR-(1-1/2)B	H2	Heritage	241,129	-	-
2 BR-2B	F3	Kingston	318,800	10	3,188,004
2 BR-2B Large	F4	Manchester	365,171	-	-
2 BR-2B with Den	F6	Monterey	365,171	-	-
2 BR-2B with Den	F8	Worthington	365,171	-	-
2 BR-2B	G6	Jackson	318,800	10	3,188,004
2 BR-2B Large	H1	Lancaster	426,613	5	2,133,064
2 BR-2B Large	J3	Washington	435,887	-	-
Projected Deposits without Amenities				**109**	**27,571,015**
Total Amenities					**85,680**
Total Projected Deposits					**27,656,695**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Feb-09

Residential Building 3.4		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	88,360	1	88,360
Efficiency	A3	Albright	108,659	-	-
Studio	B2	Abbott	134,928	-	-
Studio	B?	?	134,928	-	-
Studio	B4	Avalon	134,928	1	134,928
1 BR	C1	Brighton	186,272	15	2,794,082
1 BR	C5	Bradford	170,749	-	-
Large 1 BR	C2	Ellicott	214,929	-	-
Large 1 BR	C8	Dawson	213,735	2	427,471
Large 1 BR	C3	Dover	212,541	5	1,062,707
Large 1 BR	C4	Fremont	223,288	5	1,116,439
Large 1 BR	C7	Fenwick	204,183	-	-
Large 1 BR	C11	Easton	198,213	-	-
Large 1 BR	C12	?	229,258	-	-
Large 1 BR-1-1/2B	G10	Hamilton	251,945	5	1,259,725
1 BR & Den	D1	Georgetown	248,363	3	745,089
1 BR & Den	D2	Gilbert	248,363	-	-
1 BR & Den	D5	Glendale	248,363	-	-
1 BR & Den	D6	Gibson	248,363	5	1,241,814
2 BR-1B	E1	Flagstaff	234,034	5	1,170,171
2 BR-1B	E1m	Fallston	234,034	5	1,170,171
2 BR-1B	E2	Fairmont	247,169	8	1,977,351
2 BR-1B	E3	Franklin	260,303	5	1,301,517
2 BR-1B	G4	Harrison	260,303	5	1,301,517
2 BR-(1-1/2)B	E4	Hastings	288,961	6	1,733,764
1 BR-(1-1/2)B	H2	Heritage	248,363	-	-
2 BR-2B	F3	Kingston	328,364	-	-
2 BR-2B Large	F4	Manchester	376,126	-	-
2 BR-2B with Den	F6	Monterey	376,126	-	-
2 BR-2B with Den	F8	Worthington	376,126	4	1,504,506
2 BR-2B	G6	Jackson	328,364	8	2,626,915
2 BR-2B Large	H1	Lancaster	439,411	5	2,197,056
2 BR-2B Large	J3	Washington	448,964	-	-
Projected Deposits without Amenities				**93**	**23,853,583**
Total Amenities					**73,080**
Total Projected Deposits					**23,926,663**

Novi Campus, LLC- Development Agreement
Development Plan - Phases I,II and III Projected Cash Flow

For the Period 2001 - 2010

	Phase I Proforma Project Totals	Phase II Proforma Project Totals	Phase III Proforma Project Totals	Phase I,II,III Proforma Project Totals
Net Rent	782,657	1,990,219	19,555,124	22,328,000
Entrance deposits	122,525,067	138,656,477	143,221,841	404,403,385
Total Funds	123,307,724	140,646,696	162,776,965	426,731,385
Hard Construction Costs	77,292,155	99,425,338	87,850,507	264,568,000
Architecture	4,376,492	420,606	2,253,902	7,051,000
Engineering	954,167	1,045,833	-	2,000,000
Fees, permits	2,659,518	2,724,168	2,208,314	7,592,000
Builders risk	76,151	97,956	86,893	261,000
Contingency (3% of hard costs)	2,456,719	3,063,427	2,615,854	8,136,000
Development fees (5% of entrance deposits)	5,448,580	6,919,903	7,851,517	20,220,000
Total direct costs	93,263,782	113,697,231	102,866,987	309,828,000
Direct Margin (excluding Financing & Indirect costs)	30,043,942	26,949,465	59,909,978	116,903,385
Indirect Costs				
Departmental costs	19,469,960	9,082,865	7,483,175	36,036,000
Land	12,400,000	-	-	12,400,000
Property taxes (land only)	540,691	154,483	(174)	695,000
FF&E/ Rental (Marketing Center)	250,000	-	-	250,000
Interest expense (Construction loan 9%)	8,925,123	7,923,760	4,158,117	21,007,000
Financing costs/Legal	1,994,000	456,000	92,000	2,542,000
Working Capital Loan to Community/Repayment	10,528,137	4,601,235	(15,129,372)	-
Interest on Working Capital	-	-	(10,199,000)	(10,199,000)
Total Indirect Costs	54,107,911	22,218,343	(13,595,254)	62,731,000
Total Costs	147,371,693	135,915,574	89,271,733	372,559,000
Project Margin Cash	(24,063,969)	4,731,122	73,505,232	54,172,385
Project Margin Cumulative Cash	(24,063,969)	(19,332,847)	54,172,385	54,172,385
SCL Equity Contribution:	17,000,000	17,000,000		
Cash Available	(7,063,969)	(2,332,847)	54,172,385	

Phase I
Master Plan through RB 1.5
Assumed RB 1.5 will be full deposited.

Phase 2
Sitework II through Maintenance Building
Assumed RB 2.5 will be full deposited.

Phase 3
Sitework III through Extended Care Phase II
Assumed RB 3.4 will be full deposited.

Bank Of America - CD#13 - Control ID#1133

Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04
			Absorp rate/mo	20	20	15	15	8	7	5	2
RB 1.1	103	220,571	Units	20	40	55	70	78	85	90	92
			Absorp rate/mo	0	0	0	0	20	14	8	5
RB 1.2	99	229,377	Units	0	0	0	0	20	34	42	47
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.4	114	226,559	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.5	119	227,789	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.4	102	246,011	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	20	20	15	15	28	21	13	7
Totals	1,497	240,808	Units occ.	**20**	**40**	**55**	**70**	**98**	**119**	**132**	**139**

Bank Of America - CD#13 - Control ID#1133

Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04
RB 1.1	103	220,571	Absorp rate/mo	2	2	2	2	2	1	0	0
			Units	94	96	98	100	102	103	103	103
RB 1.2	99	229,377	Absorp rate/mo	8	10	12	12	6	2	1	1
			Units	55	65	77	89	95	97	98	99
RB 1.3	110	219,667	Absorp rate/mo	0	20	20	15	15	10	10	10
			Units	0	20	40	55	70	80	90	100
RB 1.4	114	226,559	Absorp rate/mo	0	0	0	0	0	0	0	20
			Units	0	0	0	0	0	0	0	20
RB 1.5	119	227,789	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 2.4	102	246,011	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
Totals	1,497	240,808	Absorp rate/mo	10	32	34	29	23	13	11	31
			Units occ.	149	181	215	244	267	280	291	322

Bank Of America - CD#13 - Control ID#1133

Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	6	2	1	1	0	0	0	0
RB 1.3	110	219,667	Units	106	108	109	110	110	110	110	110
			Absorp rate/mo	20	15	8	5	8	10	10	7
RB 1.4	114	226,559	Units	40	55	63	68	76	86	96	103
			Absorp rate/mo	0	0	0	0	0	20	20	15
RB 1.5	119	227,789	Units	0	0	0	0	0	20	40	55
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.4	102	246,011	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	26	17	9	6	8	30	30	22
Totals	1,497	240,808	Units occ.	**348**	**365**	**374**	**380**	**388**	**418**	**448**	**470**

Bank Of America - CD#13 - Control ID#1133

Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06
RB 1.1	103	220,571	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	103	103	103	103	103	103	103	103
RB 1.2	99	229,377	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	99	99	99	99	99	99	99	99
RB 1.3	110	219,667	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	110	110	110	110	110	110	110	110
RB 1.4	114	226,559	Absorp rate/mo	4	2	2	2	1	0	0	0
			Units	107	109	111	113	114	114	114	114
RB 1.5	119	227,789	Absorp rate/mo	15	10	8	8	8	5	3	3
			Units	70	80	88	96	104	109	112	115
RB 2.1	140	227,958	Absorp rate/mo	0	0	0	20	20	15	8	5
			Units	0	0	0	20	40	55	63	68
RB 2.2	100	250,791	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 2.4	102	246,011	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
Totals	**1,497**	240,808	Absorp rate/mo	19	12	10	30	29	20	11	8
			Units occ.	**489**	**501**	**511**	**541**	**570**	**590**	**601**	**609**

Bank Of America - CD#13 - Control ID#1133

Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	110	110	110	110	110	110	110	110
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.4	114	226,559	Units	114	114	114	114	114	114	114	114
			Absorp rate/mo	2	2	0	0	0	0	0	0
RB 1.5	119	227,789	Units	117	119	119	119	119	119	119	119
			Absorp rate/mo	5	15	15	10	10	5	5	2
RB 2.1	140	227,958	Units	73	88	103	113	123	128	133	135
			Absorp rate/mo	0	0	20	20	15	13	10	10
RB 2.2	100	250,791	Units	0	0	20	40	55	68	78	88
			Absorp rate/mo	0	0	0	0	0	0	0	20
RB 2.3	116	252,703	Units	0	0	0	0	0	0	0	20
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.4	102	246,011	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	7	17	35	30	25	18	15	32
Totals	1,497	240,808	Units occ.	**616**	**633**	**668**	**698**	**723**	**741**	**756**	**788**

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Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07
RB 1.1	103	220,571	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	103	103	103	103	103	103	103	103
RB 1.2	99	229,377	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	99	99	99	99	99	99	99	99
RB 1.3	110	219,667	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	110	110	110	110	110	110	110	110
RB 1.4	114	226,559	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	114	114	114	114	114	114	114	114
RB 1.5	119	227,789	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	119	119	119	119	119	119	119	119
RB 2.1	140	227,958	Absorp rate/mo	2	2	1	0	0	0	0	0
			Units	137	139	140	140	140	140	140	140
RB 2.2	100	250,791	Absorp rate/mo	5	2	2	2	1	0	0	0
			Units	93	95	97	99	100	100	100	100
RB 2.3	116	252,703	Absorp rate/mo	20	12	5	5	5	10	10	8
			Units	40	52	57	62	67	77	87	95
RB 2.4	102	246,011	Absorp rate/mo	0	0	0	0	0	0	20	20
			Units	0	0	0	0	0	0	20	40
RB 2.5	91	245,883	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
Totals	**1,497**	240,808	Absorp rate/mo	27	16	8	7	6	10	30	28
			Units occ.	**815**	**831**	**839**	**846**	**852**	**862**	**892**	**920**

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Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	110	110	110	110	110	110	110	110
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.4	114	226,559	Units	114	114	114	114	114	114	114	114
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.5	119	227,789	Units	119	119	119	119	119	119	119	119
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Units	140	140	140	140	140	140	140	140
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	100	100	100	100	100	100	100	100
			Absorp rate/mo	8	5	2	2	2	1	1	0
RB 2.3	116	252,703	Units	103	108	110	112	114	115	116	116
			Absorp rate/mo	15	15	8	5	4	4	4	4
RB 2.4	102	246,011	Units	55	70	78	83	87	91	95	99
			Absorp rate/mo	0	20	20	15	8	5	5	5
RB 2.5	91	245,883	Units	0	20	40	55	63	68	73	78
			Absorp rate/mo	0	0	0	0	15	15	8	5
RB 3.1	114	257,066	Units	0	0	0	0	15	30	38	43
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	23	40	30	22	29	25	18	14
Totals	**1,497**	240,808	Units occ.	**943**	**983**	**1,013**	**1,035**	**1,064**	**1,089**	**1,107**	**1,121**

Bank Of America - CD#13 - Control ID#1133

Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	110	110	110	110	110	110	110	110
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.4	114	226,559	Units	114	114	114	114	114	114	114	114
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.5	119	227,789	Units	119	119	119	119	119	119	119	119
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Units	140	140	140	140	140	140	140	140
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	100	100	100	100	100	100	100	100
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Units	116	116	116	116	116	116	116	116
			Absorp rate/mo	2	1	0	0	0	0	0	0
RB 2.4	102	246,011	Units	101	102	102	102	102	102	102	102
			Absorp rate/mo	5	4	2	1	1	0	0	0
RB 2.5	91	245,883	Units	83	87	89	90	91	91	91	91
			Absorp rate/mo	8	10	10	10	10	8	5	5
RB 3.1	114	257,066	Units	51	61	71	81	91	99	104	109
			Absorp rate/mo	0	0	20	15	12	10	8	5
RB 3.2	87	267,819	Units	0	0	20	35	47	57	65	70
			Absorp rate/mo	0	0	0	0	0	0	10	20
RB 3.3	109	253,731	Units	0	0	0	0	0	0	10	30
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	15	15	32	26	23	18	23	30
Totals	1,497	240,808	Units occ.	1,136	1,151	1,183	1,209	1,232	1,250	1,273	1,303

Bank Of America - CD#13 - Control ID#1133

Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	110	110	110	110	110	110	110	110
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.4	114	226,559	Units	114	114	114	114	114	114	114	114
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.5	119	227,789	Units	119	119	119	119	119	119	119	119
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Units	140	140	140	140	140	140	140	140
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	100	100	100	100	100	100	100	100
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Units	116	116	116	116	116	116	116	116
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.4	102	246,011	Units	102	102	102	102	102	102	102	102
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Units	91	91	91	91	91	91	91	91
			Absorp rate/mo	2	2	1	0	0	0	0	0
RB 3.1	114	257,066	Units	111	113	114	114	114	114	114	114
			Absorp rate/mo	4	4	3	2	2	1	1	0
RB 3.2	87	267,819	Units	74	78	81	83	85	86	87	87
			Absorp rate/mo	20	15	8	8	5	5	5	5
RB 3.3	109	253,731	Units	50	65	73	81	86	91	96	101
			Absorp rate/mo	0	0	0	0	20	15	15	15
RB 3.4	93	257,276	Units	0	0	0	0	20	35	50	65
			Absorp rate/mo	26	21	12	10	27	21	21	20
Totals	1,497	240,808	Units occ.	1,329	1,350	1,362	1,372	1,399	1,420	1,441	1,461

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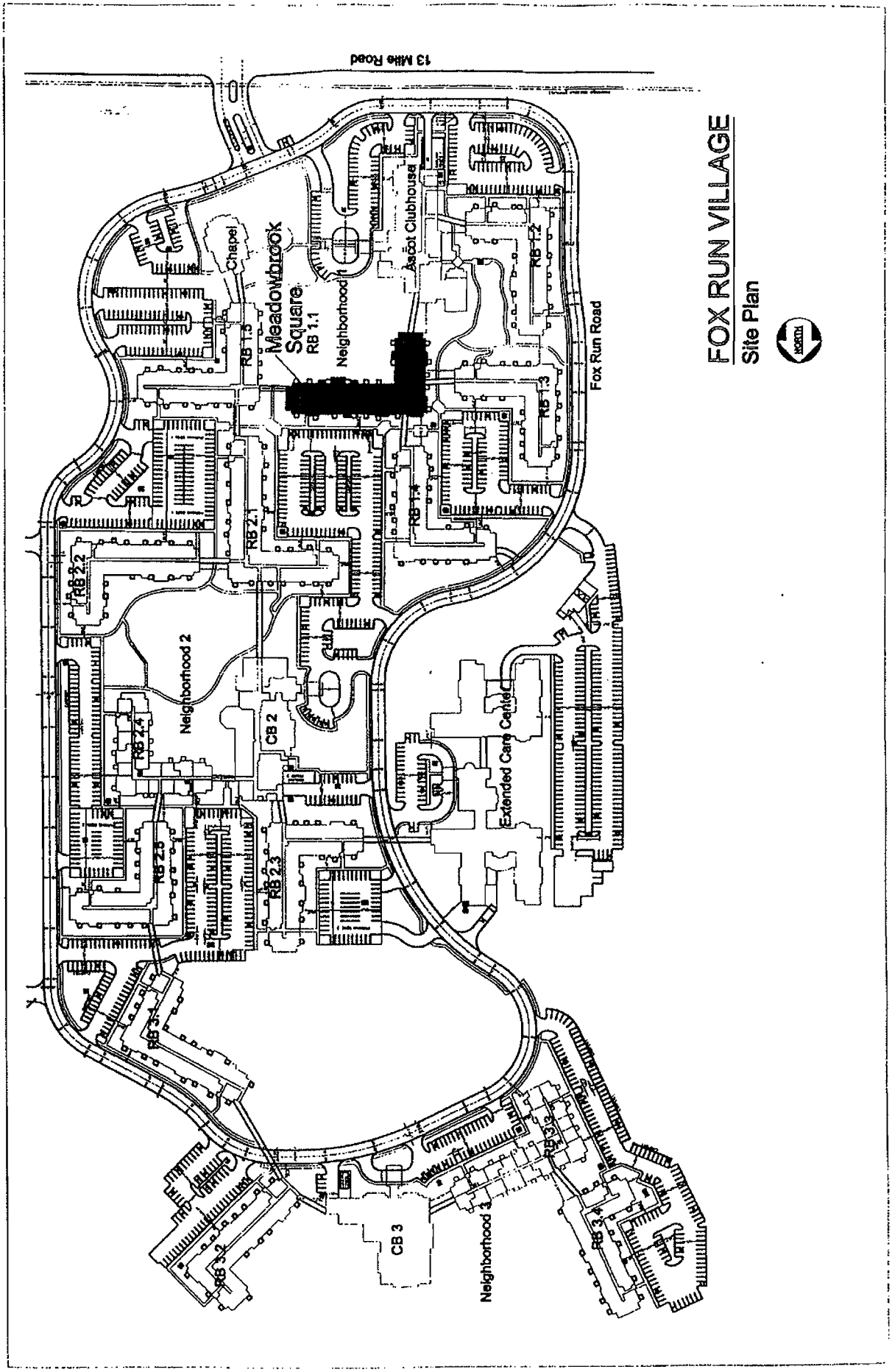
Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Jun-09	Jul-09	Aug-09
			Absorp rate/mo	0	0	0
RB 1.1	103	220,571	Units	103	103	103
			Absorp rate/mo	0	0	0
RB 1.2	99	229,377	Units	99	99	99
			Absorp rate/mo	0	0	0
RB 1.3	110	219,667	Units	110	110	110
			Absorp rate/mo	0	0	0
RB 1.4	114	226,559	Units	114	114	114
			Absorp rate/mo	0	0	0
RB 1.5	119	227,789	Units	119	119	119
			Absorp rate/mo	0	0	0
RB 2.1	140	227,958	Units	140	140	140
			Absorp rate/mo	0	0	0
RB 2.2	100	250,791	Units	100	100	100
			Absorp rate/mo	0	0	0
RB 2.3	116	252,703	Units	116	116	116
			Absorp rate/mo	0	0	0
RB 2.4	102	246,011	Units	102	102	102
			Absorp rate/mo	0	0	0
RB 2.5	91	245,883	Units	91	91	91
			Absorp rate/mo	0	0	0
RB 3.1	114	257,066	Units	114	114	114
			Absorp rate/mo	0	0	0
RB 3.2	87	267,819	Units	87	87	87
			Absorp rate/mo	5	2	1
RB 3.3	109	253,731	Units	106	108	109
			Absorp rate/mo	15	8	5
RB 3.4	93	257,276	Units	80	88	93
			Absorp rate/mo	20	10	6
Totals	**1,497**	240,808	Units occ.	**1,481**	**1,491**	**1,497**


FOX RUN VILLAGE
Site Plan
NORTH
13 Mile Road
Fox Run Road
Chapel
Meadowbrook Square
RB 1.1
Neighborhood 1
Ascot Clubhouse
RB 1.2
RB 1.3
RB 1.4
RB 1.5
RB 2.1
RB 2.2
RB 2.3
RB 2.4
RB 2.5
Neighborhood 2
CB 2
Extended Care Center
RB 3.1
RB 3.2
RB 3.3
RB 3.4
CB 3
Neighborhood 3

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NOVI CAMPUS, LLC
Development Plan
Departmental Cost Summary
Exhibit C - Unallocated Annual Expenses

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Finance			80,000	84,000	88,200	92,610	97,241	102,103	107,208	75,045	**726,406**
Design & development	75,000	300,000	1,000,000	1,300,000	1,365,000	1,433,250	1,504,913	1,580,158	1,659,166	1,161,416	**11,378,903**
Legal	53,187	50,000	57,750	57,750	60,638	63,669	66,853	70,195	73,705	51,594	**605,341**
Sales & Information	0	300,000	755,000	793,000	809,855	701,745	541,022	347,140	108,708		**4,356,472**
Marketing	200,000	900,000	1,580,000	1,659,000	1,742,000	1,829,000	1,920,000	2,016,000	2,117,000	1,363,757	**15,326,757**
Information Technology	100,866	86,000	90,300	90,300	94,815	99,556	104,534	109,760	115,248	80,674	**972,052**
Administration	399,937		250,000	262,500	275,625	289,406	303,877	319,070	335,024	234,517	**2,669,956**
Total	**828,990**	**1,636,000**	**3,813,050**	**4,246,550**	**4,436,133**	**4,509,237**	**4,538,438**	**4,544,427**	**4,516,059**	**2,967,003**	**36,035,887**

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Novi Campus, LLC
Development Agreement
EXHIBIT E
FORM OF PHASE FORECASTS AND UNALLOCATED ANNUAL EXPENSE SUMMARY

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total 2002
Hard Construction Costs	64,278	65,233	65,233	389,742	389,742	389,742	559,507	976,938	1,594,588	2,157,533	2,798,959	3,764,197	13,215,692
Construction Fees				5,846	5,846	5,846	8,393	14,654	23,919	32,363	41,984	56,463	195,314
Architecture	34,464	66,585	80,188	59,919	57,637	59,581	59,581	51,381	58,214	60,395	31,647	42,270	662,062
Engineering	19,214	9,142	9,142	9,142	9,142	8,792	6,642	6,642	6,642	6,642	-	-	91,145
Fees, permits	-	-	-	-	509,380	-	-	-	428,060	-	-	2,500	939,940
Builders risk	-	-	8,011	-	-	19,770	-	-	-	9,718	-	-	37,499
Contingency (3% of hard costs)	-	-	-	-	-	-	-	20,000	-	-	-	-	20,000
Total direct costs	117,956	140,960	162,575	464,649	971,948	483,732	634,123	1,069,614	2,111,424	2,266,652	2,872,590	3,865,429	15,161,653
Indirect Costs													
Departmental costs	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	4,023,300
Land	100,000	9,722,612	-	-	-	-	-	-	-	-	-	-	9,822,612
Property taxes (land only)	-	-	-	-	-	-	-	-	-	-	-	154,483	154,483
FF&E/ Rental (Marketing Center)	-	-	98,107	-	-	-	-	-	-	-	-	-	98,107
Interest expense (Construction loan 9%)	20,000	20,000	5,141	9,947	15,316	21,999	26,274	31,322	38,573	51,070	64,405	81,336	385,383
Financing costs/Legal	10,000	10,000	355,000	260,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	715,000
Working Capital Loan to Community/Repaymer	-	-	-	-	-	-	-	-	-	-	100,000	36,950	136,950
Total Indirect Costs	465,275	10,087,887	793,523	605,222	360,591	367,274	371,549	376,597	383,848	396,345	509,680	618,044	15,336,835
Total Costs	583,231	10,228,847	956,098	1,069,871	1,332,539	851,006	1,005,672	1,446,211	2,495,273	2,662,996	3,382,270	4,483,473	30,497,488

Sitework III through Extended Care Phase II
Assumed RB 3 4 will be full deposited

EXHIBIT 19

"Ground Lessor Subordination Documents"

1. **"Tri-Party Agreement"**

   Ground Lessor Tri-Party Agreement Recorded Among The Land Records Of Oakland County, Michigan

   (Lender; CNL Retirement ER2, LP; and CNL Retirement Partners, LP)

2. Ground Lease Between CNL Retirement ER2, LP and Novi Campus, LLC

3. Memorandum Of Ground Lease Recorded Among The Land Records Of Oakland County, Michigan

4. Assignment Of Licenses, Permits, Plans, Contracts And Warranties By Novi Campus, LLC In Favor Of CNL Retirement ER2, LP

5. Limited Guaranty And Indemnity Agreement By Erickson Retirement Communities, LLC In Favor Of CNL Retirement ER2, LP

6. Membership Interest Pledge Agreement By Erickson Retirement Communities, LLC In Favor Of CNL Retirement ER2, LP

7. Lessor-Developer Agreement By Erickson Retirement Communities, LLC For The Benefit Of CNL Retirement ER2, LP

8. Fox Run Village Non-Disturbance, Recognition, And Attornment Agreement Among Fox Run Village, Inc., Novi Campus, LLC And CNL Retirement ER2, LP Recorded Among The Land Records Of Oakland County, Michigan

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$55.00 MISC RECORDING
$2.00 REMONUMENTATION
04/21/2003 11:56:58 A.M. RECEIPT# 32998
PAID RECORDED - OAKLAND COUNTY
G.WILLIAM CADDELL, CLERK/REGISTER OF DEEDS

FOR RECORDING DEPARTMENT USE ONLY

THIS INSTRUMENT WAS PREPARED BY
AND SHOULD BE RETURNED TO:

Patrick K. Rinka, Esquire
Lowndes, Drosdick, Doster, Kantor & Reed, P.A.
215 North Eola Drive
Post Office Box 2809
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(407) 843-4600

GROUND LESSOR TRI-PARTY AGREEMENT

Among

MERCANTILE - SAFE DEPOSIT AND TRUST COMPANY
as Bank

CNL RETIREMENT ER2, LP,
as Ground Lessor

and

CNL RETIREMENT PARTNERS, LP,
as CNL Parent

O.K. - AW

Dated as of February 28th, 2003

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GROUND LESSOR TRI-PARTY AGREEMENT

THIS GROUND LESSOR TRI-PARTY AGREEMENT (this "Agreement" or "Tri-Party Agreement") is made as of February 28th, 2003, by MERCANTILE – SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, and its successors and assigns (the "Bank"), CNL RETIREMENT ER2, LP, a Delaware limited partnership ("Ground Lessor"), and CNL RETIREMENT PARTNERS, LP, a Delaware limited partnership (the "CNL Parent") (the Ground Lessor and CNL Parent being hereinafter together referred to as the "Lessor Parties").

RECITALS

Novi Campus, LLC, a Maryland limited liability company ("Novi Campus"), is indebted to the Bank for a revolving loan and letter of credit facility in the aggregate principal amount at any one time outstanding not to exceed $46,000,000.00 (the "Loan").

The Bank agreed to advance the Loan pursuant to a Construction Loan Agreement between Novi Campus and the Bank dated February 12, 2002 (which Construction Loan Agreement, as the same may from time to time be further amended, restated, supplemented or otherwise modified, is herein called the "Loan Agreement"), as evidenced by a Revolving Loan Note by Novi Campus dated February 12, 2002 (which Revolving Loan Note, as the same may from time to time be further amended, restated, supplemented or otherwise modified, is herein called the "Note"), and secured by a Mortgage from Novi Campus to and in favor of the Bank dated February 12, 2002 (which Mortgage, as the same may from time to time be further amended, restated, supplemented or otherwise modified, is herein called the "Mortgage") encumbering the Land (as defined in the Loan Agreement).

Novi Campus intends to use the proceeds of the Loan to finance the construction of a retirement community on the Land (the "Retirement Community").

The Retirement Community will be leased to and operated by Fox Run Village, Inc., a Maryland non-profit corporation ("Fox Run").

Ground Lessor has agreed to acquire, and is acquiring, the Land on or about the date hereof, subject in all respects however to the Loan Documents (as hereinafter defined), and has agreed to become the ground landlord and an obligee of Novi Campus, pursuant to the terms and conditions of the Ground Lease Agreement dated on or about the date hereof between Ground Lessor, as the landlord, and Novi Campus, as the ground tenant, with respect the ground lease of the fee simple interests in the Land, but only the Land and not the improvements thereon or other interests constituting the balance of the Retirement Community, from Ground Lessor to Novi Campus (the "Ground Lease").

Ground Lessor and Novi Campus, as a precondition to the effectiveness of the conveyance of the Land to Ground Lessor and of the Ground Lease, have requested that the Bank

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consent to such conveyance and leasing back to Novi Campus. In order to induce the Bank to grant such consent, to evidence and set forth terms and conditions applicable thereto, including limitations on the exercise of rights under the Ground Lease, the Bank and the Lessor Parties have agreed to enter into this Agreement.

As a condition to the granting of its consent to the conveyance of the Land from Novi Campus to the Ground Lessor, and subsequent lease of the Land by Ground Lessor back to Novi Campus, the Bank has required (among other things) the execution and delivery of this Agreement by the Ground Lessor.

AGREEMENTS

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the adequacy and legal sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1.
DEFINITIONS

SECTION 1.1 General Definitions.

As used in this Agreement, the terms defined in the Preamble and Recitals hereto shall have the respective meanings specified therein, and the following terms shall have the following meanings:

"Default" shall have the same meaning as assigned to such term under the provisions of the Loan Agreement.

"Distributable Amounts" means, cumulatively and collectively, any amounts and sums of money or other financial assets held or owned by Novi Campus which from time to time are not subject in any respect to any lien, security interest or limitation on distribution under the Loan Documents and which Novi Campus is otherwise free and permitted to distribute to its member(s) pursuant to applicable terms and limitations under the Loan Documents and under the constituent documents of Novi Campus as well as any other applicable documents or restrictions.

"Distribution Proceeding" means and includes any distribution of all or substantially all of the assets of Novi Campus or any liquidation, dissolution, winding up or reorganization of Novi Campus or its business whether by judicial or court proceedings or otherwise, including, without limitation, any sale, receivership, insolvency, arrangement, reorganization, bankruptcy, assignment for the benefit of creditors, marshalling of assets and liabilities or other proceedings by or against Novi Campus under any federal or state bankruptcy, reorganization, insolvency or other law or laws relating to the relief of debtors, readjustment of indebtedness, reorganization or composition.

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"Erickson" means Erickson Retirement Communities, LLC, a Maryland limited liability company.

"Excess Erickson Contributions" means, cumulatively and collectively, any amounts and sums of money or other financial assets transferred and contributed to Novi Campus by Erickson, or by any permitted successor of Erickson as the (or as a) member of Novi Campus, as a capital contribution to Novi Campus and which contributed amounts are not, from time to time, required to be or to have been contributed to and held by Novi Campus, or subject in any respect to any lien, security interest or limitation on distribution under the Loan Documents and which Novi Campus is otherwise free and permitted to distribute back to its member(s) pursuant to applicable terms and limitations under the Loan Documents and under the constituent documents of Novi Campus as well as any other applicable documents or restrictions.

"Ground Lease Documents" means, collectively, the Ground Lease, and all other agreements and undertakings of Novi Campus and Fox Run pursuant thereto or in connection therewith, including without limitation the Real Estate Purchase and Sale Contract pursuant to which the Land is being conveyed to Ground Lessor.

"Loan Documents" shall have the same meaning as assigned to such term under the provisions of the Loan Agreement.

"Master Lease" means the Fox Run Village Retirement Community Master Lease and Use Agreement dated as of February 12, 2002, between Novi Campus and Fox Run, as such Master Lease and Use Agreement may at any time and from time to time be further amended, restated, supplemented or otherwise modified.

"Person" or "person" shall mean and include a natural person, a company, a corporation, a partnership, a joint venture, a trust, an unincorporated organization or association or a government or any department or agency thereof.

"Subordinated Obligations" means collectively and includes all present and future obligations and liabilities of Novi Campus to the Ground Lessor of any kind and nature whatsoever both now existing and hereafter arising, including, without limitation, all such obligations and liabilities which are rental payments (including, without limitation, base rent, additional rent, option purchase prices, premiums and late fees and charges), indebtedness, attorneys' fees and expenses, matured or unmatured, absolute or contingent, joint or several or due or not due or which arise under or as a result of any of the Ground Lease Documents or any other now or hereafter existing instrument, agreement or document between the Ground Lessor and Novi Campus (except as expressly excepted under Section 2.4 of this Agreement).

SECTION 1.2 Other Definitional Provisions.

The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section, subsection, schedule and exhibit references are references to sections or subsections of, or schedules or exhibits to, as the case may be, this Agreement unless

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otherwise specified. As used herein, the singular number shall include the plural, the plural the singular and the use of the masculine, feminine or neuter gender shall include all genders, as the context may require.

ARTICLE 2.
SUBORDINATION

SECTION 2.1 Subordination.

The Ground Lessor hereby acknowledges and agrees with and for the benefit of the Bank that the interests of Ground Lessor in the Retirement Community, the Land, or otherwise relating in any way to the Retirement Community improvements thereon, or to the interests which are subject to the Loan Documents, have been acquired and are and shall remain in all respects subject to the prior lien and operation of the Loan Documents, and the encumbrances thereunder and terms and conditions thereof, which Loan Documents are prior and superior to the interests acquired by the Ground Lessor in the Land or otherwise relating to the Retirement Community. The Ground Lessor hereby expressly acknowledges and consents to the Loan Documents and agrees that the same shall be deemed in all respects to be "permitted exceptions" under and shall not constitute or be deemed to constitute a default under or violate any provision of the Ground Lease Documents. Further, the Ground Lessor hereby expressly subordinates:

(a) the payment of the Subordinated Obligations (including, without limitation, all rent and other amounts due or to become due under the Ground Lease Documents) to the prior payment in full of the Loan and agrees that all of the right, title and interest of the Ground Lessor in and to the payment of the Subordinated Obligations shall at all times be subject and subordinate to the right, title and interest of the Bank in and to the repayment of the Loan and any other amounts due pursuant to the Loan Documents; and

(b) the terms, conditions and covenants of the Ground Lease Documents to the terms, conditions and covenants of the Loan Documents, to the extent that the same conflict with or would purport to vary in any way the terms, conditions or rights of, under or derived by any party to the Loan Documents; and

(c) the priority and effect of any liens and security interests in favor of the Ground Lessor created by the Ground Lease Documents and all of their terms and provisions, to the priority and effect of the liens and security interests in favor of the Bank created by the Loan Documents and all of their terms and provisions (other than as expressly excepted under Section 2.4 of this Agreement).

SECTION 2.2 Payments on Subordinated Obligations Etc.

The Ground Lessor will not take, demand or receive, and Novi Campus will not make, give or permit, directly or indirectly, by set-off, redemption, purchase or otherwise, any payment or prepayment on all or any part of the Subordinated Obligations until and unless the Loan has been fully satisfied, including, without limitation, any interest at the applicable contract rates accruing after the institution of any Distribution Proceeding, whether or not allowed as a claim in

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any such proceeding, except solely provided and permitted under Section 2.4 of this Agreement. All subordinated payments shall accrue but shall not be paid to Ground Lessor during any time that the same is not permitted to be paid hereunder.

In the event that any payment of the Subordinated Obligations by Novi Campus or Fox Run of any kind or character, whether in cash, property or securities, and whether directly, by exercise of any right of set-off or otherwise, shall be received by Ground Lessor, which payment is not permitted by this Article II, such payment will be received by Ground Lessor solely as agent for the Bank, and Ground Lessor will immediately turn the same over to the Bank for application to the Loan in the form received except for the endorsement of Ground Lessor where appropriate, which endorsement Ground Lessor agrees to make. Until so turned over, Ground Lessor shall hold such payment in trust for the Bank. If Ground Lessor fails to so endorse any such payment where necessary or appropriate, Ground Lessor hereby irrevocably constitutes and appoints the Bank as attorney-in-fact for Ground Lessor with full power to make any such endorsement, and with full power of substitution. The foregoing appointment shall be irrevocable and shall be deemed to be coupled with an interest on the part of the Bank.

SECTION 2.3 Distribution Proceeding. Upon any Distribution Proceeding by or against Novi Campus, any payment or distribution of any kind or character, whether in cash, property or securities which, but for the provisions of this Agreement, would be payable or deliverable to Ground Lessor upon or in respect of the Subordinated Obligations, shall be paid or delivered by Ground Lessor or person making such payment or distribution (whether a trustee in bankruptcy, debtor in possession, a receiver, custodian, liquidating trustee or otherwise) directly to the Bank for application by the Bank as a payment or prepayment on account of any or all of the obligations owing to the Bank in connection with the Loan (collectively, the "Loan Obligations"), and Ground Lessor shall not receive any such payment or distribution or any benefit therefrom unless and until the Loan has been fully satisfied. In the event that, notwithstanding the foregoing, any payment by, or distribution of the assets of, Novi Campus of any kind or character, whether in cash, property or securities, and whether directly, by exercise of any right of set-off or otherwise, shall be received by Ground Lessor before the Loan has been fully satisfied, such payment or distribution will be received by Ground Lessor solely as agent for the Bank, and Ground Lessor will immediately turn the same over to the Bank for application to the Loan in the form received except for the endorsement of Ground Lessor where appropriate which endorsement Ground Lessor agrees to make. Until so turned over, Ground Lessor shall hold such payment or distribution in trust for the Bank. If Ground Lessor fails to so endorse any such payment or distribution where necessary or appropriate, Ground Lessor hereby irrevocably constitutes and appoints the Bank as attorney-in-fact for Ground Lessor with full power to make any such endorsement, and with full power of substitution. The foregoing appointment shall be irrevocable and shall be deemed to be coupled with an interest on the part of the Bank.

SECTION 2.4 Limited Exceptions to Ground Lessor Subordination. The Bank has consented to and agreed to accept certain limited exceptions to the subordination rights granted by Ground Lessor to Bank hereunder, which exceptions relate solely to the subordination rights arising and derived under this Agreement, and not to the prior lien and operation of the Loan Documents upon the Land and Retirement Community, and terms and conditions thereof as applicable to Novi Campus and Fox Run (which are absolute and which Ground Lessor has

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acknowledged are prior in right and title to the interests acquired by Ground Lessor relating to the Retirement Community). The limited exceptions which have been approved and agreed to by the Bank are as follows:

(a) Novi Campus may pay, and the Ground Lessor may receive, accept and retain, payments of Rent due (and as defined) under the Ground Lease Documents ("Rent") so long as (i) such payments are regularly scheduled payments of Rent due under the Ground Lease Documents and do not exceed the amount of the regularly scheduled payments, (ii) immediately prior to and after giving effect to any such payment no Default shall have occurred and be continuing, (iii) any payment of such regularly scheduled payment is made only if all regularly scheduled payments of the principal of, and interest on, the Loan are not then in default and all payments and reimbursements then due under the Loan Agreement have been made and (iv) such payments be payable solely from Distributable Amounts or Excess Erickson Contributions.

(b) Rights and security interests in favor of the Ground Lessor relating to (i) the Reserve Deposit established pursuant to the Ground Lease, and (ii) the pledge of and security interests in the membership interests of Novi Campus owned by Erickson (provided, however that any rights derived by Erickson against Novi Campus as a result of any action upon or to enforce such rights under clause "ii" of this sub-section shall in any event be subordinate and subject to the Bank's pre-existing, first lien security interest in and to such membership interests, and shall continue to constitute a Subordinated Obligations which is subordinated hereunder and under the Subordination Agreement executed by Erickson and provided, further, that in the event and at completion of any execution by Ground Lessor upon such membership interests, the Ground Lessor agrees to and shall promptly execute in favor of and deliver to Bank an Assignment of Membership Interests in respect thereof substantially similar to the assignment provided by Erickson to Bank and to which Ground Lessor's pledge is subordinate, without warranties however relating to prior unknown acts). In the event of the failure of Ground Lessor to make any such assignment or delivery, the Bank, or any of its officers or employees on behalf of the Bank, is hereby appointed attorney-in-fact of the Ground Lessor and is irrevocably authorized to make the same, which appointment shall be deemed to be coupled with an interest and shall survive the dissolution of the Ground Lessor. Notwithstanding the foregoing provisions of this paragraph (b), if the Bank ever commences the exercise of remedies under the Bank's pledge of such membership interests, the Ground Lessor shall cease exercise of any remedies against such assets and shall stand still with respect to such asset for as long as the Bank is in good faith and diligently pursuing its remedies.

(c) Novi Campus may pay, and the Ground Lessor may receive, accept and retain, in consideration for the conveyance back to Novi Campus of all of the right, title and interest of the Ground Lessor in and to the Land (or otherwise relating to the Retirement Community), payment of the full Option Purchase Price pursuant to (and as defined under) the Ground Lease Documents so long as (i) such payment of the Option Purchase Price shall be payable solely from Distributable Amounts or Excess Erickson Contributions, (ii) immediately prior to and after giving effect to any such payment no Default shall have occurred and be continuing, (iii) any such Option Purchase Price payment is made only if all regularly scheduled payments of the principal of, and interest on, the Loan are not then in default and all payments and reimbursements then due under the Loan Agreement have been made and paid in full, and

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(iv) Novi Campus and/or Ground Lessor shall have given not less than thirty (30) days prior written notice to the Bank of Novi Campus's intent to pay the Option Purchase Price to Ground Lessor, including specific disclosure of the source of the funds to be used and a detailed demonstration satisfactory to the Bank that the other conditions of this sub-section will be satisfied in connection with such payment.

Notwithstanding anything contained herein to the contrary, in the event that any provisions of this Agreement conflict with or would have the effect of limiting or impeding the rights of or remedies of Bank under any of the Loan Documents or in the collateral securing the same, such provisions of this Agreement shall not be effective and shall not be asserted by the Lessor Parties unless and until the Loan is fully paid and discharged, provided that this provision shall not limit the right granted herein to the Lessor Parties pursuant to Section 3.3 hereof to cure defaults under the Loan Documents in strict accordance with the provisions hereof, or the rights granted to the CNL Parent pursuant to Section 3.4 hereof to acquire Bank's Secured Position (as hereinafter defined) in strict accordance with the provisions hereof.

SECTION 2.5 Matters Concerning Subordinated Obligations.

Ground Lessor represents and warrants to the Bank that the Subordinated Obligations are not represented or evidenced by any instruments or documents other than the Ground Lease Documents. Until the Loan has been fully satisfied, except as expressly provided and permitted under Section 2.4 above, the Ground Lessor, without the prior written consent of the Bank, will not (a) accelerate the maturity of any of the Subordinated Obligations, (b) exercise any rights or remedies or take any action or proceeding to collect or enforce any of the Subordinated Obligations, (c) join with any other creditors of Novi Campus in filing any petition commencing any Distribution Proceeding against or in respect of Novi Campus or Fox Run, (d) sell, assign, transfer or otherwise dispose of all or any part of the Subordinated Obligations, or (e) receive or accept any collateral and security of any nature whatsoever for the Subordinated Obligations from Novi Campus except as expressly provided for under the Ground Lease Documents.

SECTION 2.6 Maintenance of Books and Legend; Single Purpose Entity.

(a) Ground Lessor will maintain proper books and records concerning the Subordinated Obligations and from time to time at the request of the Bank will permit the Bank to inspect and photocopy its books and records pertaining to the Subordinated Obligations or any instrument or instruments evidencing or creating any of the Subordinated Obligations.

(b) Ground Lessor will include the following legend on or within the Ground Lease Documents and on any and all other instruments, documents or records now or hereafter creating, evidencing or representing all or any part of the Subordinated Obligations:

> "Notwithstanding anything contained herein to the contrary, the interests and rights of [Ground Lessor] pursuant to this [identify agreement] are subject in all respects to terms, covenants and limitation as set forth in that certain Ground Lessor Tri-Party Agreement dated as of February 28, 2003 among Mercantile – Safe Deposit and Trust Company, Ground Lessor and CNL Retirement Partners,

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LP, the provisions of which Tri-Party Agreement are incorporated herein by reference to the same extent as if fully set forth herein."

(c) Ground Lessor agrees with and for the benefit of Bank that Ground Lessor shall retain its status as a single purpose entity as required by the Ground Lease.

SECTION 2.7 Amendments.

Ground Lessor agrees that none of the Ground Lease Documents, or any other instrument or agreement evidencing, creating or executed and delivered in connection with all or any part of the Subordinated Obligations, will be modified or amended without the prior written consent of Bank, which shall not unreasonably be withheld, delayed or conditioned provided there is no anticipated adverse effect on the Bank or its security for the Loan, or on Novi Campus's or Fox Run's operations or financial condition. Nothing contained herein is intended to modify or amend the rights and obligations of Ground Lessor under the Ground Lease Documents, except to the extent provided in this Agreement.

ARTICLE 3.
LIMITED RIGHTS OF GROUND LESSOR

SECTION 3.1 Consent to Conveyance and Ground Lease.

Bank hereby acknowledges and consents to the conveyance of the Land to Ground Lessor and leasing of the Land by Ground Lessor to Novi Campus pursuant to the Ground Lease Documents, subject however in all respects to the terms and conditions of this Agreement, and agrees that the consummation of the sale and lease back transaction pursuant to the Ground Lease Documents shall not constitute or be deemed a default under or violate any provision of the Loan Documents.

SECTION 3.2 No Cross Default under Loan Documents.

So long as the Ground Lessor fully complies with the terms, conditions and limitations set forth in this Agreement, and its obligations hereunder, Bank agrees that a default under the Ground Lease Documents shall not constitute or be deemed to constitute, in and of itself (unless the event causing or underlying any such default also independently is or results in) a Default under the Loan Documents.

SECTION 3.3 Notice and Cure Rights in Favor of Lessor Parties.

Bank herein specifically grants to the Lessor Parties the right to notice of and the right to cure any Default(s) or Event(s) of Default which may occur or arise under the Loan Documents, but such cure rights shall not apply to any Default or Event of Default which occurs within twelve (12) months after the date on which Ground Lessor has cured a prior Default or event of Default under the Loan Documents . Bank shall endeavor to furnish to the Lessor Parties a copy of any formal notice of or relating to a Default under the Loan Documents (a "Default Notice") contemporaneously with the sending of such Default Notice to Novi Campus or Fox Run

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pursuant to the terms of the Loan Documents. Failure of the Bank to send a Default Notice to the Lessor Parties shall not constitute a breach of this Agreement by the Bank; but Ground Lessor's cure rights shall not commence until such notice is actually given in accordance with the notice provision of this Agreement.

(a) Upon receipt of Default Notice with respect to a monetary payment default ("Payment Default"), the Lessor Parties shall have the opportunity (but not the obligation) to cure any such Payment Default by tendering to Bank, within five (5) days after receipt of the relevant Default Notice [or any longer period provided or available under the Loan Documents ("Cure Period")], the aggregate amount due and payable as set forth in and relating to the Default Notice. Notwithstanding the existence and pendency of any Cure Period hereunder, and rights granted to the Lessor Parties to cure any such Payment Default, Bank shall not be required to forbear from or limit any action to enforce its rights and remedies in respect of any such Payment Default, including any right of Bank to accelerate any amounts due under the Loan Documents as set forth in any Default Notice (an "Acceleration Action") before the expiration of such Cure Period. In the event and provided that any such Payment Default is timely and fully cured within the applicable Cure Period, Bank shall be deemed to have waived the subject Payment Default, and Bank shall, to the extent it is able to do so given the status of its exercise of remedies as of such date, fully reinstate the Loan Documents as to any action or remedy taken in respect to such cured Payment Default which is timely cured before the expiration of such applicable Cure Period. For purposes of this Agreement, should any Cure Period end on a holiday or any other day that is not a business day, such Cure Period shall be deemed to end at the end of the next business day.

(b) Upon receipt of Default Notice with respect to a default not related to unpaid monetary payments ("Non-Payment Default"), the Lessor Parties shall have the opportunity (but not the obligation) to cure any such Non-Payment Default in any manner reasonably acceptable to the Bank such that the omitted performance, condition or occurrence is completed or substituted for within thirty (30) days after receipt of the relevant Default Notice [or any longer period provided or available under the Loan Documents (also, a "Cure Period")]. Notwithstanding the existence and pendency of any Cure Period hereunder, and rights granted to the Lessor Parties to cure any such Non-Payment Default, Bank shall not be required to forbear from or limit any action to enforce its rights and remedies in respect of any such Non-Payment Default, including any right of Bank to take any Acceleration Action in respect of a Non-Payment Default as set forth in any Default Notice before the expiration of such Cure Period. In the event and provided that any such Non-Payment Default is timely and fully cured within the applicable Cure Period, Bank shall, to the extent it is able to do so given the status of its exercise of remedies as of such date, fully reinstate the Loan Documents as to any action or remedy taken in respect to such cured Non-Payment Default which is timely cured before the expiration of such applicable Cure Period.

(c) In the event that either of the Lessor Parties shall undertake to pay any amount due to Bank, or shall expend any sum to cure any Non-Payment Default, as provided under the foregoing provisions, the said Lessor Party shall be subrogated to rights of Bank in respect thereof provided, however, that such subrogation shall not be effective in any respect until such time as Bank shall have been paid in full all amounts due and owing to it under the

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Loan Documents, and such right of subrogation shall be deemed a Subordinated Obligation hereunder.

SECTION 3.4 Rights to Acquire Secured Position.

The CNL Parent shall have the right and the opportunity (but not the obligation) at any time following the effectiveness of an acceleration of the Loan Obligations (an "Acceleration Action") under the Loan Documents, upon and following the complete and indefeasible payment in full to Bank by the CNL Parent of all of the Loan Obligations, to acquire from the Bank all enforcement and lien rights and beneficial and security interests arising in favor of the Bank or its successors under the Loan Documents (the "Secured Position"). The right in CNL Parent to acquire such enforcement and lien rights and beneficial and security interests is further subject to and conditioned on the reimbursement by CNL Parent of all of the Loan Obligations, including without limitation all costs and expenses of Bank in connection with the Acceleration Action and subsequent enforcement and resolution activities relative to such Acceleration Action up to the date of acquisition of such rights and interests by CNL Parent, and a release, indemnification and hold harmless agreement acceptable to Bank from CNL Parent or its ultimate parent (provided such entity has a minimum net worth of $100,000,000) as to any claims against Bank in respect of the interests assigned to or at the direction of the CNL Parent, and claims which have been made against Bank as of such date of acquisition, or which may later be alleged against Bank based upon enforcement actions taken after such date of acquisition. In such event, upon receipt of full payment, Bank will endorse and assign to CNL Parent or its designee the Secured Position, without recourse or warranty other than a representation and warranty that the Secured Position held by Bank has not been assigned to any other party.

ARTICLE 4.
GENERAL PROVISIONS

SECTION 4.1 Representations and Warranties of Ground Lessor.

Ground Lessor represents and warrants to the Bank that (a) Ground Lessor is duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to own its property and carry on its business as now conducted, (b) this Agreement has been duly authorized by all necessary action on the part of Ground Lessor and has been duly executed and delivered by an authorized officer of the Ground Lessor's General Partner on behalf of Ground Lessor, (c) assuming proper execution and delivery by the other parties hereto, this Agreement constitutes the valid and binding obligation of Ground Lessor enforceable in accordance with its terms, subject as to enforcement, to applicable bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights generally, and to the availability of the remedy of specific performance, being a matter of judicial discretion, (d) neither the execution and delivery of this Agreement by Ground Lessor, the consummation of the transactions herein contemplated, nor the compliance with the terms and provisions hereof by Ground Lessor will conflict with or result in the breach of any of the terms, conditions or provisions of the Certificate of Limited Partnership or Partnership Agreement of Ground Lessor or of any applicable law or regulation or of any

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agreement or instrument to which Ground Lessor is a party or by which it or its property is bound or constitute a default thereunder, and (e) the Subordinated Obligations are not secured by any document or instrument other than the Ground Lease Documents.

SECTION 4.2 Default under Loan Documents.

The breach or the failure of Ground Lessor in the due observance or performance of any of the provisions of this Agreement, after the expiration of any grace or cure period, if any, granted herein, shall constitute a Default under this Agreement and a Default under the provisions of the Loan Documents (which Default under the Loan Documents shall not be subject to any further cure rights, whether under Section 3.3 of this Agreement or otherwise.)

SECTION 4.3 Enforceability of the Provisions of this Agreement and Waivers.

(a) All rights and interests of the Bank hereunder, and all agreements and obligations of the Ground Lessor under this Agreement shall remain in full force and effect and shall in no way be affected, limited, modified or released by, and may be enforced by the Bank, until the Loan Obligations shall have been paid and performed in full, irrespective of (i) any act or failure to act on the part of Ground Lessor or any noncompliance by Ground Lessor with the provisions of this Agreement, (ii) any lack of validity or enforceability of any of the Loan Documents, (iii) any attempt, pursuit, enforcement or exhaustion of any rights and remedies the Bank may at any time have to collect the Loan from Novi Campus or any other maker, guarantor, endorser, surety or other person directly or contingently liable therefor or from any collateral and security for the Loan, (iv) any release or non-perfection of any collateral and security for any or all of the Loan, or (v) any other circumstance which might otherwise constitute a defense available to, or discharge of, Novi Campus in respect of the Loan.

(b) Without notice to, or consent of, the Ground Lessor, and without in any way affecting, limiting, modifying, discharging or releasing the right of the Bank to enforce this Agreement or the liabilities and obligations of the parties hereto, the Bank may, in its sole discretion, at any time and from time to time (i) extend, renew, accelerate, modify, amend, restate, change, increase, decrease, substitute, subordinate, exchange, sell, assign, compromise, settle, waive, terminate, release, discharge, grant indulgences with respect to, or otherwise deal with in any manner satisfactory to the Bank, all or any part of the Loan, any collateral and security therefor, Novi Campus, Fox Run or any other maker, guarantor, endorser, surety or other person directly or contingently liable or obligated for all or any part of the Loan or any of the provisions of any of the Loan Documents, (ii) fail, omit, lack diligence or delay to perfect, maintain, enforce, assert or exercise any lien, encumbrance, right or remedy conferred on the Bank under the provisions of any of the Loan Documents or applicable laws or otherwise, or (iii) take or omit to take any other action, whether similar or dissimilar to the foregoing which may or might in any manner or to any extent constitute a defense available to, or discharge of Novi Campus or Fox Run or any other party in respect of the Loan or of Novi Campus, Fox Run or the Ground Lessor in respect of this Agreement.

(c) Ground Lessor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which

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constitutes a legal or equitable discharge of Novi Campus, Fox Run or any other person or entity. In furtherance of the foregoing and without limiting the generality thereof, Ground Lessor agrees, subject only to the specific terms of this Agreement, as follows: (i) Bank may from time to time, without notice or demand and without affecting the validity or enforceability of this Agreement or giving rise to any limitation, impairment or discharge of Ground Lessor's liability hereunder, (A) renew, extend, accelerate or otherwise change the time, place, manner or terms of payment of the Loan Obligations, (B) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Loan Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations, (C) request and accept guaranties of the Loan Obligations and take and hold other security for the payment of the Loan Obligations, (D) release, exchange, compromise, subordinate or modify, with or without consideration, any other security for payment of the Loan Obligations, any guaranties of the Loan Obligations, or any other obligation of any Person with respect to the Loan Obligations, (E) enforce and apply any other security now or hereafter held by or for the benefit of Bank in respect of the Loan Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that Bank may have against any such security, as Bank in its discretion may determine consistent with the Loan Agreement and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right or reimbursement or subrogation or other right or remedy of Ground Lessor against Novi Campus or any other security for the Loan Obligations, and (F) exercise any other rights available to Bank under the Loan Documents, at law or in equity; and (ii) this Agreement and the obligations of Ground Lessor hereunder shall be valid and enforceable and shall not be subject to any limitation, impairment or discharge for any reason, including without limitation the occurrence of any of the following, whether or not Ground Lessor shall have had notice or knowledge of any of them: (A) any failure to assert or enforce or agreement not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Loan Obligations or any agreement relating thereto, or with respect to any guaranty of or other security for the payment of the Loan Obligations, (B) any waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including without limitation provisions relating to Events of Default) of the Loan Agreement, any of the other Loan Documents or any agreement or instrument executed pursuant thereto, or any guaranty or other security for the Loan Obligations, (C) the Loan Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect, (D) the application of payments received from any source to the payment of indebtedness other than the Loan Obligations, even though Bank might have elected to apply such payment to any part or all of the Loan Obligations, (E) any failure to perfect or continue perfection of a security interest in any other collateral which secures any of the Loan Obligations, (F) any defenses, set-offs or counterclaims which Novi Campus may allege or assert against Bank in respect of the Loan Obligations, including but not limited to failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury, and (G) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Ground Lessor in respect of the Loan Obligations.

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(d) Subject only to the specifications of this Agreement, Ground Lessor hereby waives, for the benefit of Bank: (i) any right to require Bank, as a condition of payment or performance by Ground Lessor, to (A) proceed against Novi Campus, any guarantor of the Loan Obligations or any other Person, (B) proceed against or exhaust any other security held from Novi Campus, any guarantor of the Loan Obligations or any other Person, (C) proceed against or have resort to any balance of any deposit account or credit on the books of Bank in favor of Novi Campus or any other Person, or (D) pursue any other remedy in the power of Bank whatsoever; (ii) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of Novi Campus including, without limitation, any defense based on or arising out of the lack of validity or the unenforceability of the Loan Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of Novi Campus from any cause other than indefeasible payment in full of the Loan Obligations; (iii) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (iv) any defense based upon Bank's errors or omissions in the administration of the Loan Obligations, except behavior which amounts to bad faith; (v) (A) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this Agreement and any legal or equitable discharge of Ground Lessor's obligations hereunder (B) the benefit of any statute of limitations affecting Ground Lessor's liability hereunder or the enforcement hereof, (C) any rights to set-offs, recoupments and counterclaims, and (D) promptness, diligence and any requirement that Bank protect, secure, perfect or insure any other security interest or lien or any property subject thereto; (vi) notices, demands, presentments, protests, notices of dishonor and notices of any action or inaction, notices of default under the Loan Agreement or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Loan Obligations or any agreement related thereto, notices of any extension of credit to Novi Campus and notices of any of the matters referred to in the preceding paragraph and any right to consent to any thereof; and (vii) to the fullest extent permitted by law, any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms of this Agreement.

ARTICLE 5.
MISCELLANEOUS

SECTION 5.1 Course of Dealing; Amendment.

No course of dealing between the Bank and Ground Lessor shall be effective to amend, modify or change any provision of this Agreement. The Bank shall have the right at all times to enforce the provisions of this Agreement in strict accordance with the provisions hereof, notwithstanding any conduct or custom on the part of the Bank in refraining from so doing at any time or times. The failure of the Bank at any time or times to enforce its rights under the provisions hereof, strictly in accordance with the same, shall not be construed as having created a custom in any way or manner contrary to specific provisions of this Agreement or as having in any way or manner modified or waived the same. This Agreement may not be amended, modified, or changed in any respect except by an agreement in writing signed by the Bank and the Lessor Parties.

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SECTION 5.2 Waiver of Default.

The Bank may, at any time and from time to time, execute and deliver to Fox Run a written instrument waiving, on such terms and conditions as the Bank may specify in such written instrument, any of the requirements of this Agreement, provided that any such waiver shall be for such period and subject to such conditions as shall be specified in any such instrument. Each such waiver shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 5.3 Notices.

All notices to the parties to this Agreement which are required to be in writing by the provisions hereof shall be deemed to have been given or made when delivered by hand or by overnight courier, or five days after deposited in the mail, postage prepaid by registered or certified mail, return receipt requested, or, in the case of notice by telex, facsimile transmission or other telegraphic communications equipment, when properly transmitted, addressed as follows or to such other address as may be hereafter designated in writing by one party to the others:

Ground Lessor:
CNL Retirement ER2, LP
c/o CNL Retirement Corp.
CNL Center at City Commons
450 South Orange Avenue
Orlando, Florida 32801
Attn: Chief Operating Officer
Phone: (407) 835-3201
Fax: (407) 835-3232

With a copy to:
Lowndes, Drosdick, Doster, Kantor & Reed, P.A.
215 North Eola Drive
Orlando, Florida 32801
Attn: Patrick K. Rinka, Esq.
Phone: (407) 843-4600
Fax: (407) 843-4444

CNL Parent:
CNL Retirement Partners, LP
CNL Center at City Commons
450 South Orange Avenue
Orlando, Florida 32801
Attn: Chief Operating Officer
Phone: (407) 835-3201
Fax: (407) 835-3232

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With a copy to:	Lowndes, Drosdick, Doster, Kantor & Reed, P.A. 215 North Eola Drive Orlando, Florida 32801 Attn: Patrick K. Rinka, Esq. Phone: (407) 843-4600 Fax: (407) 843-4444
Bank:	Mercantile – Safe Deposit and Trust Company Two Hopkins Plaza Baltimore, Maryland 21201 Attn: Bruce D. McLean, Senior Vice President Phone: (410) 237-5374 Fax: (410) 237-5703
With a copy to:	Ballard Spahr Andrews & Ingersoll, LLP 300 East Lombard Street, 18th Floor Baltimore, Maryland 21202 Attn: Christopher J. Fritz, Esq. Phone: (410) 528-5584 Fax: (410) 528-5650

SECTION 5.4 Consent to Jurisdiction.

Ground Lessor (a) consents and submits to the jurisdiction and venue of any state or federal court sitting in the State of Maryland over any suit, action or proceeding arising out of or relating to this Agreement or any of the other Loan Documents, (b) waives, to the fullest extent permitted by law, any objection that the Ground Lessor may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum, and (c) consents to the service of process in any such suit, action or proceeding in any such court by such means as is provided for by the jurisdiction in which such suit, action or proceeding is filed.

SECTION 5.5 Waiver of Trial by Jury.

The Ground Lessor and the Bank hereby voluntarily and intentionally waive any rights they may have to trial by jury in any action or proceeding to which Ground Lessor or the Bank may be parties, arising out of, under or in any way pertaining to this Agreement or any course of conduct, course of dealing, statements (whether verbal or written) or actions of the Ground Lessor, Novi Campus, Fox Run, the Bank, or any other person or entity. This waiver constitutes a waiver of trial by jury of all claims against all parties to such actions or proceedings, including claims against parties who are not parties to this Agreement.

SECTION 5.6 Severability.

Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable laws, but if any provision contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall remain effective and binding on the parties hereto and shall not be affected or impaired thereby.

SECTION 5.7 Assignment.

The Bank may, without notice to, or consent of, the Ground Lessor, sell, assign or transfer to any Person or Persons all or any part of the Loan and each such Person or Persons shall have the right to enforce the provisions of this Agreement as fully as the Bank, provided that the Bank shall continue to have the unimpaired right to enforce the provisions of this Agreement as to so much of the Loan that it has not sold, assigned or transferred. In connection with any such assignment, the Bank may divulge to any assignee or potential assignee the provisions of this Agreement and all information, reports, financial statements and documents executed or obtained in connection with this Agreement. The Ground Lessor will fully cooperate with the Bank in connection with any such assignment and will execute and deliver such consents and acceptances to any such assignment and amendments to this Agreement as may be requested by Bank in order to effect any such assignment.

SECTION 5.8 Continuing Agreement.

This Agreement shall be a continuing one and shall be binding upon the parties hereto regardless of how long before or after the date hereof any the Loan indebtedness was or is incurred. This Agreement shall continually exist in full force and effect until the Loan has been fully satisfied. This Agreement shall continue to be effective, or be reinstated, as the case may be, if at any time any payment, or any part thereof, or any of the Loan is rescinded or must otherwise be restored or returned by the Bank upon, under or as a result of any Distribution Proceeding by or against Novi Campus or otherwise, all as though such payment had not been made.

SECTION 5.9 Binding Effect.

This Agreement shall be binding upon Novi Campus and the Ground Lessor and their respective successors, assigns, heirs, personal representatives, executors, administrators and estate and shall inure to the benefit of the Bank and its successors and assigns.

SECTION 5.10 Applicable Law.

This Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Maryland, both in interpretation and performance.

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SECTION 5.11 Duplicate Originals and Counterparts.

This Agreement may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts shall be deemed to be an original and all taken together shall constitute but one and the same instrument.

SECTION 5.12 Exhibits and Schedules.

Any exhibits and schedules attached to this Agreement are an integral part hereof and are hereby incorporated herein and included in the term "this Agreement".

SECTION 5.13 Headings.

Article and Section headings in this Agreement are included herein for convenience of reference only, shall not constitute a part of this Agreement for any other purpose and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

SECTION 5.14 Security Interest.

For the sole purpose of securing the performance by the Lessor Parties of the provisions of this Agreement, the Lessor Parties assign, pledge, and grant to the Bank a security interest in and to all right, title and interest of the Lessor Parties under the Ground Lease Documents and all proceeds thereof. Upon the request of the Bank, the Lessor Parties shall endorse, assign, and deliver to the Bank, in a manner acceptable to the Bank, all notes, instruments, and agreements evidencing, securing, guaranteeing, or made in connection with the Ground Lease Documents. In the event of the failure of any of the Lessor Parties to make any such endorsement, assignment, or delivery, the Bank, or any of its officers or employees on behalf of the Bank, is hereby appointed attorney-in-fact of the Lessor Parties and is irrevocably authorized to make the same. The foregoing appointment shall be deemed to be coupled with an interest and shall survive the dissolution of any of the Lessor Parties.

SECTION 5.15 Conflicting Terms Of Documents; No Additional Construction Requirements.

The parties hereto acknowledge and agree that in the event of any conflict between the terms of the Loan Documents and the Ground Lease Documents, unless the same is specifically resolved by the terms of this Agreement, the terms of the Loan Documents shall govern and control. In furtherance of the foregoing provision, and not in limitation thereof, the parties acknowledge and agree that any and all provisions of the Loan Documents relating to casualty or condemnation proceeds shall govern over any similar provisions of the Ground Lease Documents. The Ground Lessor also further acknowledges and agrees that the Ground Lessor shall not impose on Novi Campus, Fox Run or any other party any additional requirements or conditions regarding construction of the Improvements on the Land other than those already contained in the Loan Documents; and that any provisions of the Ground Lease Documents purporting to impose any such additional requirements or conditions shall be ineffective for so long as the Loan Obligations are outstanding. The provisions of this Section 5.15 shall not

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prohibit Ground Lessor from receiving copies of construction related materials for informational purposes.

Notwithstanding the provisions of the Ground Lease Documents, and without in any way limiting the provisions hereof, until the Loan Obligations have been paid in full: (i) Ground Lessor may not encumber the Property with a fee mortgage; (ii) Ground Lessor may not assign its interest in the Property and CNL Parent may not assign its interest in Ground Lessor without Bank's prior written consent and approval (which may be withheld in Bank's sole discretion unless such assignment or conveyance is to an appropriate commonly controlled and wholly owned affiliate entity); (iii) notwithstanding Section 11.2(c) of the Ground Lease, Ground Lessor shall have no rights as co-obligee of bonds required therein; and (iv) there shall be no actions taken with respect to any Payment Events of Default nor Non-Payment Events of Default, nor may Ground Lessor take any action during any cure period.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, each of the parties has executed and delivered this Agreement under such party's seal as of the day and year first written above.

Signed, sealed and delivered in the presence of the following witnesses:

Patrick K. Rinka
Signature of Witness
PATRICK K. RINKA
Printed Name of Witness

Theresa R Bagwell
Signature of Witness
Theresa R Bagwell
Printed Name of Witness

CNL RETIREMENT ER2, LP, a Delaware limited partnership

By: CNL Retirement ER2 GP, LLC, a Delaware limited liability company,
Its: General Partner

By: Bradley B. Rush
Bradley B. Rush, Senior Vice President

Date: As of February 25, 2003

STATE OF FLORIDA

COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 25th day of February, 2003, by Bradley B. Rush, as Senior Vice President of CNL Retirement ER2 GP, LLC, a Delaware limited liability company, as general partner of CNL Retirement ER2, LP, a Delaware limited partnership, on behalf of said limited partnership. He is personally known to me or produced _____ as identification.

(NOTARY SEAL)

Christina D. Redman
MY COMMISSION # DD002353 EXPIRES
April 15, 2005
BONDED THRU TROY FAIN INSURANCE, INC.

Christina D Redman
Notary Public Signature
Orange County
(Name typed, printed or stamped)
Notary Public, State of Florida
Commission No.: _____
My Commission Expires: 4/15/05

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CNL RETIREMENT PARTNERS, LP, a Delaware limited partnership

Patrick K. Rinka
Signature of Witness
PATRICK K. RINKA
Printed Name of Witness

Theresa R Bagwell
Signature of Witness
Theresa R Bagwell
Printed Name of Witness

By: CNL RETIREMENT GP CORP., a Delaware corporation, its general partner

By: Bradley B. Rush
Printed Name: Bradley B Rush
Title: Sr. Vice President

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 25th day of February 2003, by Bradley B. Rush, as Sr Vice President of CNL Retirement GP Corp., a Delaware corporation, as General Partner of CNL Retirement Partners, LP, a Delaware limited partnership. He is personally known to me or produced _____ as identification.

(NOTARY SEAL)

Christina D. Redmon
MY COMMISSION # DD102353 EXPIRES
April 15, 2005
BONDED THRU TROY FAIN INSURANCE, INC.

Christina D. Redmon
Notary Public Signature

(Name typed, printed or stamped)
Notary Public, State of _____
Commission No.: _____
My Commission Expires: _____

MERCANTILE – SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation

By: _____
Bruce D. McLean
Senior Vice President

_____
Signature of Witness
D. Scurl Walker
Printed Name of Witness

_____
Signature of Witness
Sharon L. Pritchard
Printed Name of Witness

STATE OF Maryland
COUNTY OF Baltimore

The foregoing instrument was acknowledged before me this 11th day of March, 2003, by Bruce D. McLean, as Senior Vice President of Mercantile – Safe Deposit and Trust Company, a Maryland corporation, on behalf of said corporation. He is personally known to me or produced _____ as identification.

(NOTARY SEAL)

_____
Notary Public Signature
Elaine L. Podgurski
(Name typed, printed or stamped)
Notary Public, State of Maryland
Commission No.: _____
My Commission Expires: 5/1/06
County of Baltimore

JOINDER AND CONSENT BY NOVI CAMPUS

Novi Campus hereby joins in the within and foregoing Ground Lessor Tri-Party Agreement (the "Agreement") for the purpose of granting and acknowledging its agreement and consent to the terms thereof, and to the rights granted to the Ground Lessor and CNL Parent thereunder (and is not otherwise a party to or entitled to derive any rights or enforce any terms thereunder). Novi Campus agrees to be bound by the terms of the foregoing Agreement, including all provisions granting rights to Mercantile - Safe Deposit and Trust Company (the "Bank") and/or amending the terms of any of the Loan Documents between Novi Campus and the Bank.

Signed, sealed and delivered in the presence of the following witnesses:

Dawn E. Hughes
Signature of Witness

Dawn E. Hughes
Printed Name of Witness

Amy D. Bauer
Signature of Witness

Amy D. Bauer
Printed Name of Witness

NOVI CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, a Maryland limited liability company.
Its: Sole Member/Authorized Agent

By: _____
Jeffrey A. Jacobson, Managing Director

Date: As of February 28, 2003

STATE OF Maryland

COUNTY OF Baltimore.

The foregoing instrument was acknowledged before me this 28th day of February 2003, by Jeffrey A. Jacobson, the Managing Director of Erickson Retirement Communities, LLC, a Maryland limited liability company, as Sole and Managing Member of NOVI CAMPUS, LLC, a Maryland limited liability company, on behalf of the company. He is personally known to me or has produced _____ as identification.

(NOTARY SEAL)

Lois M. Shaw
Notary Public Signature

Lois M. Shaw
(Name typed, printed or stamped)
Notary Public, State of Maryland
Commission No.: _____
My Commission Expires: 10/26/04

County of Baltimore

LOIS M. SHAW
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires October 26, 2004

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EXHIBIT "A"

DESCRIPTION OF REAL ESTATE

Parcel Identification No. 22-01-300-013

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3:

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as:

Beginning at a point distant East 280.00 feet from Southwest corner thereof: thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds, West, 100.00 feet to the point of ending.

PARCEL 4:

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20

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seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

The combined Parcels 1, 2, 3 and 4 are more particularly described as:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Commencing at the Southwest corner of Section 1, Town 1 North, Range 8 East; thence along the West line of Section 1; North 03 degrees 28 minutes 39 seconds West 60.01 feet to the point of beginning; thence continuing along the West line of Section 1, North 03 degrees 28 minutes 39 seconds West 2590.40 feet to the West 1/4 corner of Section 1, Town 1 North, Range 8 East; thence along the West line of Section 1 and along the boundary of "The Maples of Novi, Maple Hills", Oakland County Condominium Plat No. 627, North 02 degrees 28 minutes 35 seconds West 649.69 feet; thence continuing along the boundary of "The Maples of Novi, Maple Hills" the following two (2) courses; one (1) North 87 degrees 21 minutes 41 seconds East 682.69 feet and two (2) North 03 degrees 11 minutes 10 seconds West 2.24 feet; thence along the south boundary of "Haverhill Farms", Oakland County Condominium Plat No. 912, North 87 degrees 19 minutes 27 seconds East 693.69 feet; thence South 03 degrees 16 minutes 01 second East 3236.69 feet to a point 70.00 feet North of the South line of Section 1, thence along the north line of Thirteen Mile Road the following five (5) courses: one (1) South 87 degrees 31 minutes 40 seconds West 25.33 feet, two (2) South 02 degrees 28 minutes 20 seconds East 15.00 feet, three (3) South 87 degrees 31 minutes 40 seconds West 300.00 feet, four (4) North 02 degrees 28 minutes 20 seconds West 5.00 feet, and five (5) South 87 degrees 31 minutes 40 seconds West 1050.40 feet to the point of beginning.

Commonly known as: 41100 and 41060 Thirteen Mile Road

CERTIFICATE OF COPY OF RECORD
STATE OF MICHIGAN
COUNTY OF OAKLAND

I, Ruth Johnson, Register of Deeds for Oakland County, certify that I have compared the attached copy with the original record on file, and it is a true and correct transcript of the original record in Liber 28608 Page(s) 497-511
in testimony whereof, I have set my hand and affixed the seal of REGISTER OF DEEDS on 9-21-09.

By: Carolyne A. Barnhart
DEPUTY CLERK Carolyne A. Barnhart

Per PA #53, effective 9-6-07

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GROUND LEASE AGREEMENT

Between

CNL RETIREMENT ER2, LP,
a Delaware limited partnership,
as Landlord,

and

NOVI CAMPUS, LLC,
a Maryland limited liability company,
as Tenant,

Dated as of

February 28, **2003**

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Exhibit C	Memorandum of Ground Lease
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Exhibit F	Tenant Estoppel Certificate
Exhibit G	Single Purpose Entity Requirements
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GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (the "Lease") made and entered into as of February _____, 2003 by and between **CNL RETIREMENT ER2, LP**, a Delaware limited partnership ("Landlord"), and **NOVI CAMPUS, LLC**, a Maryland limited liability company ("Tenant");

WITNESSETH:

WHEREAS, Landlord is the owner of that certain tract, piece and parcel of land located in Oakland County, Michigan more particularly described on **Exhibit A** attached hereto, and by this reference made a part hereof, excluding however all buildings and other improvements now or hereafter located upon such real property (such land, excluding such buildings and other improvements, is hereinafter referred to as the "Leased Property"); and

WHEREAS, Tenant desires to lease from Landlord, and Landlord has agreed to lease to Tenant, the Leased Property, upon the terms and conditions as more particularly hereinafter provided and described;

NOW, THEREFORE, for and in consideration of the premises hereof, the sums of money to be paid hereunder, and the mutual and reciprocal obligations undertaken herein, the parties hereto do hereby covenant, stipulate and agree as follows:

ARTICLE I.
AGREEMENT TO LEASE

1.1 Demise. Landlord, for and in consideration of the rents herein reserved and required to be paid by Tenant and of the covenants, promises and agreements herein contained, does hereby demise, let and lease unto Tenant, and Tenant, for and in consideration of the foregoing demise by Landlord and of the covenants, promises and agreements herein contained does hereby hire, lease and take as Tenant from Landlord the entire Leased Property, upon those terms and conditions hereinafter set forth. The Leased Property demised by Landlord to Tenant hereunder does not include the existing and to-be-constructed continuing care retirement community and related improvements, or the buildings, parking areas and driveways, utilities, storm drainage and retention and landscaped areas or any other improvements of any type (collectively the "Improvements"), which are and shall continue to be the property of Tenant during the Term of this Lease. Landlord also assigns to Tenant all of Landlord's right, title and interest in that certain Fox Run Village Retirement Community Master Lease and Use Agreement dated February 12, 2002 (the "Facility Lease") between Fox Run Village, Inc., a Maryland non-profit corporation ("Facility Tenant"), and Novi Campus, LLC (as assigned to Landlord in connection with its acquisition of the Land).

1.2 Condition. Tenant acknowledges and agrees that the Leased Property is and shall be leased by Landlord to Tenant in its present "as is" condition, and that Landlord makes absolutely no representations or warranties whatsoever with respect to the Leased Property or the condition thereof, except as expressly set forth in this Lease. Tenant acknowledges that Landlord has not investigated and does not warrant or represent to Tenant that the Leased Property are fit for the purposes intended by Tenant or for any other purpose or purposes whatsoever, and Tenant acknowledges that the Leased Property is to be leased to Tenant in its existing condition, i.e., "as-is", on and as of the Commencement Date. Tenant acknowledges that Tenant shall be solely responsible for any and all actions, repairs, permits, approvals and costs required for the use, development, occupancy and operation of the Leased Property in accordance with applicable governmental requirements, including, without limitation, all governmental charges and fees, if any, which may be due or payable to applicable authorities. Tenant agrees that, by leasing the Leased Property, Tenant warrants and represents that Tenant has examined and approved all things concerning the Leased Property which Tenant deems material to Tenant's leasing and use of the Leased Property. Tenant further acknowledges and agrees that (a) neither Landlord nor any agent of Landlord has made any representation or warranty, express or implied, concerning the Leased Property or which have induced Tenant to execute this Lease except as contained in this Lease, and (b) any other representations and warranties are expressly disclaimed by Landlord.

1.3 Quiet Enjoyment. Landlord covenants and agrees that from and after the Commencement Date, as hereinafter defined, so long as Tenant shall timely pay all rents due to Landlord from Tenant hereunder and keep, observe and perform all covenants, promises and agreements on Tenant's part to be kept, observed and performed hereunder, Tenant shall and may peacefully and quietly have, hold and occupy the Leased Property free of any interference from Landlord; subject, however, and nevertheless to those matters shown on **Exhibit D** attached hereto (the "Permitted Exceptions") and the terms, provisions and conditions of this Lease.

1.4 Effective Date. The "Effective Date" of this Lease shall be considered to be the date of full execution hereof. Exclusive possession of the Leased Property shall be delivered to Tenant on and as of the Effective Date.

1.5 Commencement Date. The "Commencement Date" of this Lease shall be the Effective Date.

ARTICLE II.
TERM

2.1 Lease Term. The initial term of this Lease (the "Initial Term") shall, unless sooner terminated as elsewhere provided in this Lease, be for a period of ten (10) years, commencing on the Commencement Date and terminating and expiring at 11:59 p.m. on the date immediately preceding the tenth (10th) anniversary of the Commencement Date.

2.2 Option to Renew. Tenant shall have and is hereby granted two (2) options to extend this Lease for an additional five (5) years each (individually, an "Extended Term"), upon the same terms, covenants, conditions and rental as set forth herein; provided that Tenant is not

in default hereunder beyond any applicable notice and cure period at either the time of exercise or the commencement of the respective Extended Term. Tenant may exercise each such Extended Term successively by giving written notice to Landlord not less then twelve (12) months nor more than eighteen (18) months prior to the respective expiration of the Initial Term or the then applicable Extended Term. Should Tenant fail to give Landlord such timely written notice during the required period, all remaining rights of renewal shall automatically expire. For purposes of this Lease, the term "Term" shall mean and be defined as the Initial Term, together with any Extended Term properly exercised by Tenant.

ARTICLE III.
RENT

3.1 Base Rent. Subject to proration as set forth below, annual base rent for the Leased Property ("Base Rent") for the first (1st) through fifth (5th) Lease Years (as hereafter defined) shall be the sum of TWO MILLION FIVE HUNDRED SIXTY THOUSAND AND NO/100 DOLLARS ($2,560,000.00) per year. Base Rent for the sixth (6th) through tenth (10th) Lease Years, and for each successive Lease Year during each of the Extended Terms, shall be adjusted and increased, effective the first day of each Lease Year, as follows:

(a) Subject to proration as provided herein, from and after the beginning of the sixth (6th) Lease Year, the amount of annual Base Rent for each Lease Year of the Term (unless adjusted to a greater amount pursuant to Section 3.2 below) shall increase by three percent (3 %) over the amount of annual Base Rent for the immediately preceding Lease Year; and

(b) In addition and not in limitation of the foregoing, annual Base Rent for the first Lease Year of each Extended Term (if and as exercised by Tenant) shall be equal, in each case, to the greater of (i) the amount calculated in accordance with the preceding Subsection (a) of this Section 3.1, or (ii) fifteen percent (15%) of: the amount of "Landlord's Original Investment" plus an amount equal to the "FMV Percentage Increase" (as such terms are defined below) in such amount over (x) the previous ten (10) Lease Years, in the case of the Eleventh (11th) Lease Year, or otherwise (y) the previous five (5) Lease Years.

3.2 Payment and Calculation of Base Rent. Base Rent shall be paid by Tenant to Landlord in equal monthly installments, in advance, on the first (1st) day of each calendar month commencing on the first (1st) day of the calendar month immediately following the Commencement Date, it being agreed that if the Commencement Date falls on a day other than the first day of the month, Base Rent payable with respect to the period between the Commencement Date and the first day of the following calendar month shall be due at the time that the first payment of Base Rent is due. In the event of a default by Tenant of its obligations under this Lease beyond any applicable notice and cure period, the full amount of Base Rent for the remaining term of this Lease shall be immediately due and payable by Tenant to Landlord. For the purposes of this Lease:

(a) the term "Lease Year" shall mean and be defined as each twelve month period commencing on the first day of the calendar month immediately following the

Commencement Date; provided, however, that the first Lease Year shall include the period from the Commencement Date to the first day of the next following calendar month. Base Rent shall be proportionately prorated for any extended or partial Lease Year (i.e., the first Lease Year and/or the final Lease Year);

(b) the term "Landlord's Original Investment" shall mean the sum of SEVENTEEN MILLION AND NO/100 DOLLARS ($17,000,000.00), which represents, for purposes of this Lease, Landlord's total acquisition and transactional costs incurred in acquiring the Leased Property;

(c) the term "FMV Percentage Increase" shall mean shall mean the percentage increase, if any, over any related or referenced period, in the Fair Market Value of the Leased Property;

(d) the "Fair Market Value" of or relating to the Leased Property shall mean the fair market value, determined as provided below, of the Landlord's fee simple interest in the land constituting the Leased Property, and not including any interest or component of value relating to the Improvements; and

(e) If by the end of the sixth (6th) month of the Eleventh (11th) or Sixteenth (16th) Lease Years, or at any other time the Fair Market Value of the Leased Property or any interest therein is required to be established or determined hereunder, Landlord and Tenant are unable to agree on the Fair Market Value of the Leased Property for purposes of this calculation, such Fair Market Value shall be established by the appraisal process described on **Exhibit H** attached hereto. If the Base Rent for the applicable five-year period of the Term is not finally determined by such appraisal process prior to the end of each five-year period of the Term following which the Base Rent is subject to increase based upon any increase in Fair Market Value, then until the updated Fair Market Value is established, the Base Rent shall provisionally be increased by Ten Percent (10%) over the previous Lease Year's Base Rent, with the Base Rent to be adjusted retroactively once the Fair Market Value is determined. Any adjusted Base Rent due from Tenant for prior periods as a result of the foregoing shall be payable in not more than six (6) monthly installments, with interest thereon at the Prime Rate as published in the Wall Street Journal (or equivalent rate), plus four percent (4%) per annum, and any such amounts due from Landlord to Tenant shall be recovered as a credit against future Base Rent. Landlord and Tenant acknowledge and agree that this Section is designed to establish a fair market Base Rent for the Leased Property during each such applicable five-year period of the Term.

3.3 Additional Rent; Rent Defined. If Landlord shall make any expenditure for which Tenant is responsible or liable under this Lease, or if Tenant shall become obligated to Landlord under this Lease for any sum other than Base Rent as hereinabove provided, the amount thereof shall be deemed to constitute additional rent ("Additional Rent") and shall be due and payable by Tenant to Landlord, together with all applicable sales taxes thereon, if any, simultaneously with the next succeeding monthly installment of Rent or at such other time as may be expressly provided in this Lease for the payment of the same.

For the purpose of this Lease, the term "Rent" shall mean and be defined as all Base Rent and Additional Rent due from Tenant to Landlord hereunder.

3.4 Sales Tax. In addition to the Rent and any other sums or amounts required to be paid by Tenant to Landlord pursuant to the provisions of this Lease, Tenant shall also pay to Landlord, simultaneously with such payment of such Rent or other sums or amounts, the amount of any applicable sales, use or excise tax on any such Rent or other sums or amounts so paid by Tenant to Landlord, whether the same be levied, imposed or assessed by the State in which the Leased Property is located or any other federal, state, county or municipal governmental entity or agency. Any such sales, use or excise taxes shall be paid by Tenant to Landlord at the same time that each of the amounts with respect to which such taxes are payable are paid by Tenant to Landlord.

3.5 Payment of Rent. Each of the foregoing amounts of Rent and other sums shall be paid to Landlord without demand and without deduction, set-off, claim or counterclaim of any nature whatsoever which Tenant may have or allege to have against Landlord, and all such payments shall, upon receipt by Landlord, be and remain the sole and absolute property of Landlord. All such Rent and other sums shall be paid to Landlord in legal tender of the United States by wire transfer of immediately available federal funds or by other means acceptable to Landlord in its sole discretion. If Landlord shall at any time accept any such Rent or other sums after the same shall become due and payable, such acceptance shall not excuse a delay upon subsequent occasions, or constitute or be construed as a waiver of any of Landlord's rights hereunder.

3.6 Past Due Rent. If Tenant fails to make any payment of Rent or any other sums or amounts to be paid by Tenant hereunder on or before the date such payment is due and payable, Tenant shall pay to Landlord an administrative late charge of five percent (5%) of the amount of such payment. In addition, such past due payment shall bear interest at the maximum interest rate then allowable under the laws of the State in which the Leased Property is located from the date such payment became due to the date of payment thereof by Tenant. Such late charge and interest shall constitute Additional Rent and shall be due and payable with the next installment of Rent due hereunder.

3.7 No Abatement of Rent. Except as expressly provided in other sections of this Lease, if any, no abatement, diminution or reduction (a) of Rent, charges or other compensation, or (b) of Tenant's other obligations hereunder shall be allowed to Tenant or any person claiming under Tenant, under any circumstances or for any reason whatsoever.

ARTICLE IV.
RESERVE DEPOSIT

4.1 Reserve Deposit. On the Commencement Date Tenant shall deposit with Landlord, in cash, the sum of ONE MILLION TWO HUNDRED SEVENTY FIVE THOUSAND AND NO/100 DOLLARS ($1,275,000.00), as a reserve deposit (the "Reserve Deposit"), in order to secure Tenant's faithful performance of all of Tenant's obligations under this Lease. If Tenant fails to pay Rent or Additional Charges due hereunder, fails to pay the full

Option Purchase Price under the conditions and as provided in Section 24.2 below, or otherwise defaults with respect to any provision of this Lease, then in addition to and not exclusive of any other remedies available under this Lease, Landlord may use, apply or retain all or any portion of the Reserve Deposit for the payment of any Rent, the funding of any charges in default or other amount due to landlord hereunder, or for the payment of any sum the payment of which Landlord may become obligated by reason of Tenant's default. If Landlord so uses or applies all or any portion of the Reserve Deposit, Tenant shall, within five (5) days after written demand therefor, deposit cash with Landlord in an amount sufficient to fully restore the Reserve Deposit to the required amount as set forth above. Landlord shall maintain the Reserve Deposit in an interest-bearing account at CNL Bank, and all interest accruing thereon shall be added to the Reserve Deposit. Landlord shall not be required to keep the Reserve Deposit separate from its general accounts, but shall maintain reasonable records showing the current balance of the Reserve Deposit and the amounts of interest earned thereon each year. If Tenant performs all of Tenant's obligations hereunder, at the expiration of the Term, after Tenant has vacated the Leased Property, and after all purchase options or mortgages encumbering the Leased Property which have been granted or which arise by, through or under Tenant have expired or been satisfied or released, the Reserve Deposit, or so much thereof as has not been applied or used by Landlord as provided herein, shall be returned to Tenant, together with any interest which has accrued thereon. No trust relationship is created herein between Landlord and Tenant with respect to the Reserve Deposit. The Reserve Deposit shall be paid by Tenant to Landlord upon the Commencement Date.

4.2 Security Agreement. Tenant hereby grants to Landlord a security interest in the Reserve Deposit, as security for all obligations of the Tenant to Landlord hereunder, including without limitation Tenant's obligations to pay the full amount of the Option Purchase Price due to Landlord as provided under Section 24.2 below, and agrees to execute and deliver all such instruments as may be required by Landlord to evidence and perfect this security interest.

ARTICLE V.
USE AND OPERATION OF LEASED PROPERTY

5.1 Permitted Use. Tenant covenants and agrees that it shall, and shall cause the Facility Tenant throughout the Term of this Agreement, to continuously use and occupy the Leased Property solely and exclusively for the development and operation of the first class licensed (as applicable) continuing care retirement community known as "Fox Run Village" (the "Community"), and for such other uses as may be necessary or incidental to such use (the foregoing being referred to as the "Permitted Use"). No use shall be made or permitted to be made of the Leased Property and no acts shall be done thereon which will cause the cancellation of any insurance policy covering the Leased Property or any part thereof (unless another adequate policy is available), nor shall Tenant sell or otherwise provide or permit to be kept, used or sold in or about the Leased Property any article which may be prohibited by law or by the standard form of fire insurance policies, or any other insurance policies required to be carried hereunder, or fire underwriter's regulations. Tenant shall, at its sole cost, comply with all insurance requirements set forth in this Lease. Tenant shall not take or omit to take any action,

the taking or omission of which materially impairs the value or the usefulness of the Leased Property or any part thereof for its Permitted Use.

5.2 Necessary Approvals. Tenant shall maintain, or cause Facility Tenant to maintain, in good standing all licenses, permits and approvals necessary to use and operate, for its Permitted Use, the Leased Property and the continuing care retirement community, independent living units and assisted living and skilled nursing facilities, and related commercial service use facilities, located or to be located thereon (the "Facility") under all applicable laws and shall provide to Landlord a copy of Tenant's (or Facility Tenant's) annual federal, state and Medicare survey regarding the Facility, and such other information or documents pertaining to the foregoing approvals. Landlord shall at no cost or liability to Landlord cooperate with Tenant or Facility Tenant in this regard, limited to executing all applications and consents required to be signed by Landlord in order for Tenant to obtain and maintain such approvals and to permit, develop, construct, lease and occupy the existing and to-be-constructed Improvements, including but not limited to, the granting of easements, licenses or other rights to third parties which are typical and necessary for the orderly development of the Property (which matters approved by Landlord in its reasonable discretion shall constitute additional "Permitted Exceptions" hereunder).

5.3 Lawful Use, Etc. Tenant shall not use or suffer or permit the use of the Leased Property for any unlawful purpose. Tenant shall not commit or suffer to be committed any waste on the Leased Property, or in the Facility, nor shall Tenant cause or permit any unlawful nuisance thereon or therein. Tenant shall not suffer nor permit the Leased Property, or any portion thereof, to be used in such a manner as (i) might reasonably impair Landlord's title thereto or to any portion thereof, or (ii) might reasonably allow a claim or claims for adverse usage or adverse possession by the public, as such, or of implied dedication of the Leased Property or any portion thereof.

5.4 Environmental Matters. Except as permitted by applicable law, Tenant shall at all times keep the Leased Property free of Hazardous Substances (as hereafter defined). Neither Tenant nor any of its employees, agents, invitees, licensees, contractors, guests, or subtenants shall use, generate, manufacture, refine, treat, process, produce, store, deposit, handle, transport, release, or dispose of Hazardous Substances in, on or about the Leased Property or the groundwater thereof, in violation of any federal, state or municipal law, decision, statute, rule, ordinance or regulation currently in existence or hereafter enacted or rendered. Tenant shall give Landlord prompt Notice of any claim received by Tenant from any person, entity, or governmental authority that a release or disposal of Hazardous Substances has occurred on the Leased Property or the groundwater thereof. As used herein, "Hazardous Materials" shall mean and be defined as any and all toxic or hazardous substances, chemicals, materials or pollutants, of any kind or nature, which are regulated, governed, restricted or prohibited by any federal, state or local law, decision, statute, rule or ordinance currently in existence or hereafter enacted or rendered, and shall include (without limitation), all oil, gasoline and petroleum-based substances.

Tenant shall not discharge or permit to be discharged into any septic facility or sanitary sewer system serving the Leased Property any toxic or hazardous sewage or waste other than that

which is permitted by applicable law or which is normal domestic waste water for the type of business contemplated by this Agreement to be conducted by Tenant on, in or from the Leased Property. Any toxic or hazardous sewage or waste which is produced or generated in connection with the use or operation of the Leased Property shall be handled and disposed of as required by and in compliance with all applicable local, state and federal laws, ordinances and rules or regulations or shall be pre-treated to the level of domestic wastewater prior to discharge into any septic facility or sanitary sewer system serving the Leased Property.

Tenant shall comply with any and all conditions, restrictions and limitations imposed by the Michigan Department of Environmental Protection relating to the development and use of the Leased Property, including, without limitation, any "Activity Use Limitation" or any other condition, restriction or limitation imposed by virtue of any landfill or former landfill areas within the Leased Property

5.5 Compliance With Restrictions, Etc. Tenant, at its expense, shall comply with all restrictive covenants and other title exceptions affecting the Leased Property and comply with and perform all of the obligations set forth in the same to the extent that the same are applicable to the Leased Property or to the extent that the same would, if not complied with or performed, impair or prevent the continued use, occupancy and operation of the Leased Property for the purposes set forth in this Lease. Further, in addition to Tenant's payment obligations under this Lease, Tenant shall pay all sums charged, levied or assessed under any restrictive covenants, declaration, reciprocal easement agreement or other title exceptions, equipment leases, leases and all other agreements affecting the Leased Property as of the date of this Lease promptly as the same become due.

5.6 Survival. As to conditions and uses of Tenant existing or occurring prior to the expiration or sooner termination of this Lease, the provisions of this Article 5 shall survive the expiration or sooner termination of this Lease to extent of any ongoing effects on Landlord or its successors with respect to the Leased Property.

ARTICLE VI.
TAXES AND ASSESSMENTS

Throughout the entire Term of this Lease, Tenant shall bear, pay and discharge all taxes, assessments and other governmental impositions and charges of every kind and nature whatsoever, extraordinary as well as ordinary, and each and every installment thereof which shall or may during the term hereof be charged, laid, levied, assessed, or imposed upon, or arise in connection with, the use, occupancy or possession of the Leased Property or any part thereof, including, without limitation, ad valorem real and personal property taxes, and all taxes charged, laid, levied, assessed or imposed in lieu of or in addition to any of the foregoing by virtue of all present or future laws, ordinances, requirements, orders, directions, rules or regulations of federal, state, county and municipal governments and of all other governmental authorities whatsoever. Tenant shall not be obligated to bear, pay or discharge Landlord's U.S. income tax(es) or any other tax based on net income of Landlord. Upon request of Landlord, Tenant

shall promptly furnish to Landlord satisfactory evidence of the payment of any tax, assessment, imposition or charge required to be paid by Tenant pursuant to the foregoing.

ARTICLE VII.
UTILITIES

Tenant shall be liable for and shall pay directly all charges and fees, including impact, connection and/or reservation fees, (together with any applicable taxes or assessments thereon) when due for water, gas, electricity, air conditioning, heat, septic, sewer, refuse collection, telephone and any other utility charges or similar items in connection with the development, use or occupancy of the Leased Property. Landlord shall not be responsible or liable in any way whatsoever for the quality, quantity, impairment, interruption, stoppage, or other interference with any utility service, including, without limitation, water, air conditioning, heat, gas, electric current for light and power, telephone, or any other utility service provided to or serving the Leased Property. No such interruption, termination or cessation of utility services shall relieve Tenant of its duties and obligations pursuant to this Lease, including, without limitation, its obligation to pay all Rent as and when the same shall be due hereunder.

ARTICLE VIII.
LICENSE, PERMITS, FEES, ETC.

Tenant shall keep and maintain, or cause the Facility Tenant to keep and maintain, in full force during the entire term of this Lease all licenses, permits or other approvals necessary for the operation of the Leased Property for its Permitted Use. Tenant shall, at its sole cost and expense, pay all license fees, permit fees, governmental impact fees or other expenses of any kind or nature whatsoever in connection with its development and operation of the Leased Property for its Permitted Use.

ARTICLE IX.
INSURANCE

9.1 Insurance by Tenant. Throughout the term of this Lease, Tenant shall, at its sole cost and expense, maintain, or cause to be maintained, in full force and effect the following types and amounts of insurance coverage as set forth in this Article IX.

9.2 Hazard Insurance. Special form insurance on the Improvements, including all permitted alterations, changes, additions and replacements thereof and thereto, including without limitation, insurance against loss or damage caused by: (i) fire, windstorm and other hazards and perils generally included under extended coverage; (ii) sprinkler leakage; (iii) vandalism and malicious mischief; and (iv) boiler and machinery, all in an amount which reasonably assures there will be sufficient proceeds to replace the Improvements in the event of a loss against which such insurance is issued. Such insurance shall (i) include contingent liability from Ordinance or Law Coverage, Demolition Costs and Increased Cost of Construction Endorsements, (ii) contain an agreed amount endorsement with respect to the Improvements, (iii) provide for a deductible in an amount approved by Landlord, but in no event in excess of ONE HUNDRED THOUSAND AND NO/100 DOLLARS ($100,000.00) per occurrence, and (iv) contain an "Ordinance or Law

Coverage" or "Enforcement" endorsement if any of the Improvements or the use of the Leased Property shall at any time constitute legal non-conforming structures or uses. All insurance required hereunder, and all other insurance maintained by Tenant on the Improvements in excess of or in addition to that required hereunder, shall be carried in favor of Landlord and Tenant, as their respective interests may appear.

9.3 Liability Insurance. Tenant shall provide and keep in full force and effect a policy of broad form comprehensive general public liability and property damage insurance providing coverage against liability for personal injury, death and property damage having limits of not less than THREE MILLION AND NO/100 DOLLARS ($3,000,000.00) per person and THREE MILLION AND NO/100 DOLLARS ($3,000,000.00) per occurrence, with an excess liability policy in the amount of FIVE MILLION AND NO/100 DOLLARS ($5,000,000.00). Such insurance shall cover at least the following hazards: (1) premises and operations; (2) products and completed operations; (3) independent contractors; (4) blanket contractual liability for all written and oral contracts; and (5) contractual liability. Such insurance, and any and all other liability insurance maintained by Tenant in excess of or in addition to that required hereunder, shall name Landlord as an additional insured.

Landlord acknowledges that a formally funded program of self-insurance on the part of Tenant may fulfill some insurance requirements contained in this Agreement now or in the future. However, this shall not in any way limit the insurance obligations of Tenant. Tenant agrees that any self-insurance program will provide for the coverages required under this Agreement.

9.4 Workers' Compensation Insurance. Tenant shall provide and keep in full force and effect workers' compensation insurance, in a form prescribed by the laws of the State in which the Leased Property is located, and employers' liability insurance.

9.5 Builder's Risk Insurance. Tenant shall, prior to the commencement of and during the construction of the Improvements and any permitted rehabilitation, replacement, reconstruction, restoration, renovation or alteration to the Leased Property, provide and keep in full force and effect builders' risk insurance in accordance with the requirements of this Article.

9.6 Loss of Rent Insurance. Tenant shall provide, keep and maintain in full force and effect business interruption insurance, without a provision for co-insurance, in an amount sufficient to pay Rent, for the Leased Property for a period of one (1) year.

9.7 Flood Hazard Insurance. Flood hazard insurance if any portion of the Improvements is currently or at any time in the future located in a federally designated "special flood hazard area" and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (and any successor thereto) in an amount which reasonably assures that there will be sufficient proceeds to replace the Improvements and any personalty located on the Leased Property in the event of a loss against which such insurance is issued.

9.8 Malpractice Insurance/Professional Liability Insurance. Malpractice insurance/professional liability insurance of not less than ONE MILLION AND NO/100

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DOLLARS ($1,000,000.00) per claim and THREE MILLION AND NO/100 DOLLARS ($3,000,000.00) in the aggregate, to cover the facility and professional medical care providers employed within the assisted living and skilled nursing facilities within the Community, or otherwise employed therein by Tenant or the Facility Tenant or their affiliates or agents, in substance and form as is reasonably acceptable to Landlord. Tenant agrees to adjust its malpractice insurance/professional liability insurance as required over the term of this Agreement to maintain levels of such insurance equal to that generally held by continuing care retirement/nursing facilities in the Detroit, Michigan area.

9.9 Other Insurance. In addition, Tenant shall, at Landlord's request, provide, keep and maintain in full force and effect such other insurance for such risks and in such amounts as may from time to time be commonly insured against in the case of business operations similar to those contemplated by this Lease to be conducted by Tenant or others on the Leased Property.

9.10 Carriers and Features. All insurance policies required to be carried by Tenant as provided in this Article shall be issued by insurance companies which have an A- or better rating by Best's Insurance Rating Service. All such policies shall be for periods of not less than one year and Tenant shall renew the same at least thirty (30) days prior to the expiration thereof. All such policies shall require not less than thirty (30) days written notice to Landlord prior to any cancellation thereof.

Tenant shall pay the premiums for all insurance policies which Tenant is obligated to carry under this Article and, at least ten (10) days prior to the date any such insurance must be in effect, deliver to Landlord a copy of the policy or policies, or a certificate or certificates thereof.

9.11 Failure to Procure Insurance. In the event Tenant shall fail to procure insurance required under this Article and fail to maintain the same in full force and effect continuously during the term of this Lease, Landlord shall be entitled, although not obligated, to procure the same and Tenant shall immediately reimburse Landlord for such premium expense as Additional Rent.

9.12 Waiver of Subrogation. Tenant agrees that, if any property owned by it and located in the Leased Property shall be stolen, damaged or destroyed by an insured peril, Landlord shall not have any liability to Tenant, nor to any insurer of Tenant, for or in respect of such theft, damage or destruction, and Tenant shall require all policies of risk insurance carried by it on its property in the Leased Property to contain or be endorsed with a provision in and by which the insurer designated therein shall waive its right of subrogation against Landlord.

ARTICLE X.
DAMAGE OR DESTRUCTION

10.1 Restoration and Repair. If, during the term of this Lease, any improvements to the Improvements (as hereafter defined) shall be destroyed or damaged in whole or in part by fire, windstorm or any other cause whatsoever, Tenant shall give Landlord immediate notice thereof and shall repair, reconstruct or replace the Improvements, or the portion thereof so destroyed or damaged (whichever is reasonably required), at least to the extent of the value and

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character thereof existing immediately prior to such occurrence. All work shall be started as soon as practicable and completed, at Tenant's sole cost and expense. Tenant shall, however, immediately take such action as is necessary to assure that the Leased Property (or any portion thereof) does not constitute a nuisance or otherwise presents a health or safety hazard.

10.2 Uninsured Losses. Nothing contained herein shall relieve Tenant of its obligations under this Article if the destruction or damage is not covered, either in whole or in part, by insurance.

ARTICLE XI.
CONSTRUCTION, ADDITIONS, ALTERATIONS AND REMOVALS

11.1 Prohibition. Except as hereinafter expressly provided, no structural portion of the Improvements shall be demolished, removed or altered by Tenant in any manner whatsoever without the prior written consent and approval of Landlord, which will not be unreasonably withheld or delayed. Notwithstanding the foregoing, however, Tenant shall be obligated to undertake all alterations to the Improvements required by any applicable law or ordinance including, without limitation, any alterations required by any accessibility laws including without limitation the Americans with Disabilities Act and any other federal, state or local law governing accessibility to and within the Improvements (the "Accessibility Laws"), and, in such event, Tenant shall comply with the provisions hereof.

11.2 Permitted and Required Construction and Renovation. Landlord and Tenant acknowledge and agree that Tenant intends and has the right, and has agreed and shall be required as a lease covenant, obligation and condition hereunder to continue to develop, construct, expand and build out the to-be-constructed Improvements as more particularly depicted on the site plan attached hereto as **Exhibit B** (the "Site Plan") to complete the Community, and that from time to time, various minor, non-material alterations may be undertaken by Tenant. Notwithstanding the foregoing, at such time as the amounts payable to Tenant by the Facility Tenant under any remaining purchase rights or option exceed in any event the full amount of the potential Option Purchase Price hereunder, or if Tenant has otherwise fully secured any potential obligation of Tenant to pay the full Option Purchase Price hereunder in a manner reasonably approved by Landlord in writing, then Tenant shall be allowed to discontinue development of any further improvements on the Leased Property (which have not already be commenced or which Tenant is not otherwise obligated to construct). Tenant hereby acknowledges and agrees that all construction and/or renovation of the Improvements shall be conducted and completed in accordance with the following terms and conditions:

(a) Before the commencement of work on each new development phase within the Leased Property ("Phase"), final plans and specifications for such Phase shall be made available for Landlord's review and approval (not to be unreasonably withheld or delayed so long as the plans and specifications comply with (i) all applicable governmental regulations, and (ii) all easements, covenants and restrictions of record, including without limitation the Permitted Exceptions.

(b) Before the commencement of work on any new Phase, Tenant shall obtain (and make available to Landlord evidence of) the approval thereof by all governmental departments or authorities having or claiming jurisdiction of or over the Leased Property, if required by such departments or authorities, and with any public utility companies having an interest therein, if required by such utility companies. In any such work, Tenant shall comply with all applicable laws, ordinances, requirements, order, directions, rules and regulations of the federal, state, county and municipal governments and of all other governmental authorities having or claiming jurisdiction of or over the Leased Property and of all their respective departments, bureaus and offices, and with the requirements and regulations, if any, of such public utilities, of the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction, or any other body exercising similar functions, and of all insurance companies then writing policies covering the Leased Property or any part thereof.

(c) Before the commencement of work on any new Phase, Tenant shall make available to Landlord a copy of its general construction contract for the construction of the subject Improvements (the "General Contract"). Tenant shall, upon request of Landlord, make Landlord a co-obligee, additional insured or beneficiary of any general contractor's payment bonds or performance bonds for the subject Improvements. Proceeds of any such Bonds shall be used to complete the construction of the Improvements.

(d) Tenant represents and warrants to Landlord that all work on the Improvements will be performed in a good and workmanlike manner and in accordance with the terms, provisions and conditions of this Lease and all governmental requirements.

(e) Landlord shall have the right to inspect any such construction work at all times during normal working hours and to maintain at the Leased Property for that purpose (at its own expense) such inspector(s) as it may deem necessary so long as such inspections do not interfere with Tenant's work (but Landlord shall not thereby assume any responsibility for the proper performance of the work in accordance with the terms of this Lease, nor any liability arising from the improper performance thereof).

(f) All such work shall be performed at no cost, expense or liability to Landlord, and free of any liens (including mechanics or construction liens) on Landlord's fee simple interest on or Tenant's leasehold interest in the Leased Property, other than the Permitted Exceptions.

(g) Upon substantial completion of work on the Improvements, Tenant shall procure and provide to Landlord a copy of an original final certificate of occupancy, if applicable, from the appropriate governmental authorities verifying the substantial completion thereof.

(h) Tenant shall, and hereby agrees to, indemnify and save and hold Landlord harmless from and against and reimburse Landlord for any and all loss, damage, cost and expense (including, without limitation, reasonable attorneys' fees at both trial and all appellate levels) incurred by or asserted against Landlord which is occasioned by or results, directly or indirectly, from any construction or renovation activities conducted upon the Leased Property by

Tenant or otherwise pursuant to the Third Party Documents; whether or not the same is caused by or the fault of Tenant or any contractor, subcontractor, laborer, supplier, materialman or any other third party.

Landlord and Tenant acknowledge and agree that the foregoing provisions shall only be applied to Community Improvements currently under construction on a prospective or "going forward" basis.

11.3 Ownership of Improvements. Subject to the respective rights of the parties herein set forth, Tenant shall continue to own the existing Improvements and any new Improvements constructed by Tenant on the Leased Property during the Term of this Lease. Upon the expiration or early termination hereof, title to the Improvements shall pass to Landlord subject, however, to the Facility Lease and all other Permitted Exceptions.

ARTICLE XII.
MAINTENANCE AND REPAIRS

12.1 Repairs by Tenant. Tenant shall, at all times during the term of this Lease and at its sole cost and expense, put, keep, replace and maintain the Leased Property and the Improvements in good repair and in good, safe and substantial order and condition, shall make all repairs thereto, both inside and outside, structural and non-structural, ordinary and extraordinary, howsoever the necessity or desirability for repairs may occur, and whether or not necessitated by wear, tear, obsolescence or defects, latent or otherwise, and shall use all reasonable precautions to prevent waste, damage or injury. Tenant shall also, at its own cost and expense, put, keep, replace and maintain all landscaping, signs, sidewalks, roadways, driveways and parking areas within the Leased Property in good repair and in good, safe and substantial order and condition and free from dirt, standing water, rubbish and other obstructions or obstacles.

12.2 Landlord's Obligation. Landlord shall not be required to make any alterations, reconstructions, replacements, changes, additions, improvements or repairs of any kind or nature whatsoever to the Leased Property or any portion thereof (including, without limitation, any portion of the Improvements) at any time during the term of this Lease.

ARTICLE XIII.
LANDLORD'S RIGHT OF INSPECTION AND ENTRY

13.1 Inspection. Landlord and its agents shall have the right to enter upon the Leased Property or any portion thereof at any reasonable time to inspect the operation, sanitation, safety, maintenance and use of the same, or any portions of the same and to assure itself that Tenant is in full compliance with its obligations under this Lease (but Landlord shall not thereby assume any responsibility for the performance of any of Tenant's obligations hereunder, nor any liability arising from the improper performance thereof). In making any such inspections, Landlord shall not unduly interrupt or interfere with the residents and commercial tenants within the Community or the conduct of Tenant's or Facility Tenant's business.

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ARTICLE XIV.
ASSIGNMENT AND SUBLETTING

14.1 Transfers by Tenant. Tenant may not assign this Lease or the Leased Property without Landlord's prior written consent, which consent may be withheld in Landlord's sole and absolute discretion. If given, the consent of Landlord to an assignment, transfer or encumbrance shall not relieve Tenant or such assignee from the obligation of obtaining the express consent in writing of Landlord to any further assignment, transfer or encumbrance. In addition, any such approved assignee shall expressly assume this Lease by an agreement in recordable form, an original executed counterpart of which shall be delivered to Landlord prior to any assignment of the Lease. Landlord's consent to any assignment of this Lease shall not operate to release any Tenant-assignor from its obligations hereunder, with respect to which said Tenant-assignor shall remain personally liable.

Landlord acknowledges that the Facility Lease is not a sublease or transfer, and that the Facility Lease is expressly superior to Landlord's interest in the Leased Property. Accordingly, the right of Facility Tenant to enter into Residence and Care Agreements is expressly acknowledged and permitted. Further, Landlord acknowledges that any duties and responsibilities of Tenant under this Lease may be performed and all rights of Tenant may be enjoyed by Facility Tenant as and to the extent provided in the Facility Lease. Tenant, however, acknowledges that its duty to perform is in no way diminished by such approval and shall remain primary under the Lease such that Tenant shall be responsible for performing any and all duties, acts or responsibilities under this Lease which Facility Tenant fails to perform.

14.2 Leasehold Mortgages. From and after the Effective Date of this Lease, Tenant shall be permitted to grant a mortgage encumbering its leasehold interest in the Leased Property subject to and only in accordance with the following requirements:

(a) Landlord shall not under any circumstances be deemed to have joined in the mortgage and/or subordinated or subjected its interest in and to the Leased Property to the lien and encumbrance of the mortgage; and

(b) the term of any such mortgage shall not exceed the term of this Lease and may only run concurrently with an extension of the term provided that Tenant has exercised its option to extend the term as provided in Section 2.3 hereof; and

(c) the mortgagee must be an institutional financial entity; and

(d) the mortgage shall contain an express statement by the mortgagee acknowledging that the fee simple title to the Leased Property is not encumbered thereby and that Landlord shall have no liability thereunder; and

(e) the mortgage shall include the agreement of the mortgagee to simultaneously provide to Landlord a copy of any notice sent to mortgagor/Tenant thereunder.

Except as expressly provided elsewhere herein, any assignment, transfer, sublease or encumbrance in violation of this Article shall be voidable at Landlord's option. Landlord agrees and acknowledges that the mortgages reflected in the Third Party Documents and/or the Permitted Exceptions ("Existing Mortgages") are expressly permitted and allowed hereunder and shall not be subject to the terms, conditions or limitations set forth above. Landlord further acknowledges that Tenant and Facility Tenant intend to establish future bond financing substantially similar in nature and structure to the financing established by Brooksby Village, Inc., a Massachusetts non-stock company, Peabody Campus, LLC, a Maryland limited liability company, and LaSalle Bank National Association with respect to the Brooksby Village retirement community in Essex County, Massachusetts (the "Brooksby Village Transaction"). Accordingly, Landlord hereby agrees to (i) cooperate with Tenant and Facility Tenant to establish such financing and (ii) grant such subordination and other rights as given by the ground landlord in the Brooksby Village Transaction.

14.3 Existing Mortgagees. Landlord herein specifically grants to the mortgagees under the Existing Mortgages, inclusive of their successors and assigns as holders thereof ("Existing Mortgagees") the right to notice of and the right to cure any default(s) or Event(s) of Default which may occur or arise under this Lease. Landlord agrees to furnish to the Existing Mortgagees a copy of any formal notice of or relating to any Event of Default under this Lease (a "Default Notice") contemporaneously with the sending of such Default Notice to Tenant pursuant to the terms of this Lease. Default Notices to the Existing Mortgagees shall be given in accordance with the notice provisions hereof, to the address for notice of the Existing Mortgagees as set forth in the Third Party Documents, and the Existing Mortgagees shall be entitled to the following notice and cure rights in respect of any Event of Default:

(a) Upon receipt of Default Notice with respect to a monetary payment default ("Payment Event of Default"), the Existing Mortgagees shall have the opportunity (but not the obligation) to cure any such Payment Event of Default by tendering to Landlord, within five (5) business days after receipt of the relevant Default Notice [or any longer period provided or available under this Lease ("Cure Period")], the aggregate amount due and payable as set forth in and relating to the Default Notice. In the event and provided that any such Payment Event of Default is timely and fully cured within the applicable Cure Period, Landlord shall be deemed to have waived the subject Payment Event of Default, and Landlord shall fully reinstate this Lease as to any action or remedy taken in respect to such cured Payment Event of Default which is timely cured before the expiration of such applicable Cure Period. For purposes of this Agreement, should any Cure Period end on a holiday or any other day that is not a business day, such Cure Period shall be deemed to end at the end of the next business day.

(b) Upon receipt of Default Notice with respect to a default not related to unpaid monetary payments ("Non-Payment Event of Default"), the Existing Mortgagees shall have the opportunity (but not the obligation) to cure any such Non-Payment Event of Default in any manner such that the omitted performance, condition or occurrence is completed or substituted for within thirty (30) days after receipt of the relevant Default Notice [or any longer period provided or available under this Lease (also, a "Cure Period")]. In the event and provided that any such Non-Payment Event of Default is timely and fully cured within the applicable Cure

Period, Landlord shall fully reinstate this Lease as to any action or remedy taken in respect to such cured Non-Payment Event of Default which is timely cured before the expiration of such applicable Cure Period.

(c) In the event that either of the Existing Mortgagees shall undertake to pay any amount due to Landlord, or shall expend any sum to cure any Non-Payment Event of Default, as provided under the foregoing provisions, the said Existing Mortgagee shall be subrogated to rights of Landlord in respect thereof provided, however, that such subrogation shall not be effective in any respect until such time as Landlord shall have been paid in full all amounts due and owing to it under this Lease, and such right of subrogation shall be deemed subordinate in any and all respects, including without limitation in right of payment of any amount, to the rights and claims of the Landlord hereunder (except to the extent that any such right is secured, evidenced or actionable under any of the Third Party Documents which are superior to the rights and interests of Landlord in the Leased Property).

In addition, Landlord shall grant the foregoing notice and cure rights to future mortgagees and their successor and assigns, provided Tenant satisfies the requirements of Section 14.2 above.

14.4 Assignment by Landlord. Landlord may assign its interest in this Lease during the term hereof, and upon the assumption in writing by Landlord's assignee of all of Landlord's obligations under this Lease which arise from and after the date of the assignment, Landlord shall be released from any obligation or liability under the Lease arising after the date thereof; provided, however, that (a) any such assignee shall be a single purpose entity with constituent documents and governance provisions comparable to Landlord's, and shall acknowledge in writing that its interests are acquired subject in all respects to and it is bound by applicable provisions of the Third Party Documents, and (b) Landlord shall remain liable for any obligation or liability of Landlord under the Lease (i) which was to be performed or which became due during the period in which Landlord owned the Leased Property, or (ii) which arises after the date of the assumption and relates to acts or omissions occurring prior to the date of the assumption during the period Landlord owned the Leased Property.

ARTICLE XV.
LANDLORD'S INTEREST NOT SUBJECT TO LIENS

15.1 Liens, Generally. Subject to the provisions hereof permitting and acknowledging the lien and operation of the Third Party Documents and other Permitted Exceptions, and applicable provisions of Section 5.2, Tenant shall not create or cause to be imposed, claimed or filed upon the Landlord's interest in the Leased Property, or any portion thereof, any lien, charge or encumbrance whatsoever. If, because of any act or omission of Tenant, any such lien, charge or encumbrance shall be imposed, claimed or filed, Tenant shall, at its sole cost and expense, cause the same to be discharged of record (by release, bonding, or obtaining a declaratory judgment confirming that the lien, charge or encumbrance does not affect Landlord's interest) and Tenant shall indemnify and save and hold Landlord harmless from and against any and all costs, liabilities, suits, penalties, claims and demands whatsoever, and from and against any and

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all attorneys' fees, at both trial and all appellate levels, resulting therefrom or on account thereof. In the event that Tenant shall fail to timely pursue, with reasonable diligence, removal of the lien, charge or encumbrance from Landlord's interest, Landlord shall have the option of paying, satisfying or otherwise discharging (by bonding or otherwise) such lien, charge or encumbrance and Tenant agrees to reimburse Landlord, upon demand and as Additional Rent, for all sums so paid and for all costs and expenses incurred by Landlord in connection therewith, together with interest thereon, until paid.

15.2 Mechanics Liens. Except for permitted assignments, Landlord's interest in the Leased Property shall not be subjected to liens of any nature by reason of Tenant's construction, alteration, renovation, repair, restoration, replacement or reconstruction of the Improvements or any improvements on or in the Leased Property, or by reason of any other act or omission of Tenant (or of any person claiming by, through or under Tenant) including, but not limited to, mechanics' and materialmen's liens. All persons dealing with Tenant are hereby placed on notice that such persons shall not look to Landlord or to Landlord's credit or assets (including Landlord's interest in the Leased Property) for payment or satisfaction of any obligations incurred in connection with the construction, alteration, renovation, repair, restoration, replacement or reconstruction thereof by or on behalf of Tenant. Tenant has no power, right or authority to subject Landlord's interest in the Leased Property to any mechanic's or materialmen's lien or claim of lien. Landlord and Tenant acknowledge and agree to execute and record in the Public Records of Oakland County, Michigan a memorandum of lease which includes the prohibition of Landlord's liability for liens, all in the form attached hereto as **Exhibit C**. If a lien, a claim of lien or an order for the payment of money shall be imposed against the Leased Property on account of work performed, or alleged to have been performed, for or on behalf of Tenant, Tenant shall, within thirty (30) days after written demand by Landlord to do so, cause the Leased Property to be released therefrom by the payment of the obligation secured thereby or by furnishing a bond or by any other method prescribed or permitted by law. If Tenant causes the lien to be released or bonded within said thirty (30) days, the filing of same shall not constitute an Event of Default. If a lien is released, Tenant shall thereupon furnish Landlord with a written instrument of release in form for recording or filing in the appropriate office of land records of Oakland County, Michigan and otherwise sufficient to establish the release as a matter of record.

15.3 Contest of Liens. Tenant may, at its option, contest the validity of any lien or claim of lien if Tenant shall have first posted an appropriate and sufficient bond in favor of the claimant or paid the appropriate sum into court, if permitted by law, and thereby obtained the release of the Leased Property from such lien. If judgment is obtained by the claimant under any lien, Tenant shall pay the same immediately after such judgment shall have become final and the time for appeal therefrom has expired without appeal having been taken. Tenant shall, at its own expense, defend the interests of Tenant and Landlord in any and all such suits; provided, however, that Landlord may, at its election, engage its own counsel and assert its own defenses, in which event Tenant shall cooperate with Landlord and make available to Landlord all information and data which Landlord deems necessary or desirable for such defense.

15.4 Notices of Commencement of Construction. If specifically provided for under applicable law, prior to commencement by Tenant of work on any new Phase of construction on the Leased Property, or other material construction not already substantially under way as of the Effective Date hereof, Tenant shall record or file a notice or affidavit of the commencement of such work (the "Notice of Commencement") in the land records of Essex County, Massachusetts, identifying Tenant as the party for whom such work is being performed, stating such other matters as may be required by law and requiring the service of copies of all notices, liens or claims of lien upon Landlord. Any such Notice of Commencement shall clearly reflect that the interest of Tenant in the Leased Property is that of a leasehold estate and shall also clearly reflect that, to the extent permitted by law, the interest of Landlord as the fee simple owner of the Leased Property shall not be subject to mechanics or materialmen's liens on account of the work which is the subject of such Notice of Commencement. A copy of any such Notice of Commencement shall be furnished to and approved by Landlord and its attorneys prior to the recording or filing thereof, as aforesaid.

ARTICLE XVI.
CONDEMNATION

16.1 Total Taking. If the whole of the vertical building Improvements shall be taken or condemned for any public or quasi-public use or purpose, by right of eminent domain or by purchase in lieu thereof, then a "Total Taking" will be deemed to have occurred and this Lease and the term hereby granted shall cease and terminate as of the date on which the condemning authority takes possession and all Rent shall be paid by Tenant to Landlord up to that date or refunded by Landlord to Tenant if Rent has previously been paid by Tenant beyond that date. If a taking of a portion of the Leased Property results in the loss of such a substantial portion of access to and from adjacent roadways that, in the mutual reasonable judgment of Landlord and Tenant, the remaining access to the Leased Property is not sufficient and suitable for the continued operation of the business contemplated by this Lease, then in such event Tenant may, at any time during the ninety (90) day period after the date the condemning authority acquires possession of the portion of the Leased Property and Improvements so taken or condemned, and upon written notice to Landlord, terminate this Lease. If Tenant so terminates this Lease, a "Constructive Total Taking" will be deemed to have occurred.

In the event of such Total Taking or Constructive Total Taking the award or awards for such taking (the "Condemnation Proceeds") shall be allocated between the Landlord and Tenant in the following manner and in the following order of priority:

(a) Landlord shall be entitled to receive such portion of the Condemnation Proceeds, with interest thereon to the extent payable by the condemning authority, equal to the Option Purchase Price (as set forth in Section 24.2 below) in effect as of the date of the taking, plus all Rent and other amounts due hereunder to and including the date of payment to Landlord, at which time the Tenant's option to purchase shall be deemed to have been exercised and consummated such that all remaining interests of Landlord shall be conveyed to Tenant.

(b) Tenant shall thereafter be entitled to receive any remaining proceeds of the award for the taking, including, without limitation, the value of the Improvements, plus severance damages, if any, with interest thereon, if and to the extent payable by the condemning authority.

16.2 Partial Taking. A "Partial Taking" shall be deemed to have occurred if there is a condemnation taking or a deed in lieu thereof which does not constitute a Total Taking or Constructive Total Taking. In such event, the Tenant shall promptly restore the remaining portion or portions thereof to a condition comparable to their condition at the time of such taking or deed in lieu thereof less the portion or portions lost by the taking, and this Lease shall continue in full force and effect, without the Base Rent being reduced throughout the remaining Term of the Lease, and any extensions, except as expressly provided hereinbelow.

In the event of such Partial Taking, then the Condemnation Proceeds for such Partial Taking shall be allocated, with interest thereon if and to the extent payable by the condemning authority, in the following manner and in the following order of priority:

(a) First, to Landlord in an amount equal, on a pro-rata basis according to that portion of the Leased Property taken, and an appraisal-based allocation reasonably acceptable to Landlord of the Landlord's Original Investment to that portion of the Leased Property taken, to the Option Purchase Price (as set forth in Section 24.2 below).

(b) Thereafter, to Tenant.

Insofar as this provision in the event of a Partial Taking is intended to allocate to Landlord an amount relating to the agreed-upon price for the Landlord's fee simple interests in the land only, all costs of restoration shall be paid separately by Tenant, from any condemnation proceeds received by Tenant or otherwise. To the extent of condemnation proceeds paid to Landlord under this Section 16.2, the Base Rent for the Leased Property shall be reduced proportionately, as shall the remaining amount of the Option Purchase Price, based upon the proportion that the funds actually received by Landlord bear to the full Option Purchase Price which would have been payable to Landlord had the Tenant's option to purchase been exercised as of the date of any payment of Partial Taking condemnation proceeds to Landlord. Such reduction shall be effective as of the date such condemnation proceeds are paid to and accepted by Landlord.

16.3 Business Damages. Tenant shall be entitled to separately claim for and recover all business damages which may be awarded as a result of any condemnation proceeding or settlement in lieu thereof, regardless of whether taking is a Total Taking, Constructive Total Taking or Partial Taking.

16.4 Restoration. If this Lease does not terminate due to a taking or condemnation, Tenant shall, with due diligence, restore the remaining portion or portions of the Leased Property in the manner hereinabove provided. In such event, the proceeds of the award to be applied to restoration shall be deposited with a bank or financial institution designated by Landlord (or Tenant's senior Existing Mortgagee or other permitted leasehold mortgagee as contemplated

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under Section 14.2 hereof) until the restoration has been completed and Tenant has been reimbursed for all the costs and expenses thereof. If the award is insufficient to pay for the restoration, Tenant shall be responsible for the remaining cost and expense of such restoration.

16.5 Temporary Taking. If all or any part of the Leased Property or Tenant's Leasehold estate under this Lease shall be taken in condemnation proceedings or by any right of eminent domain for temporary use or occupancy, the foregoing provisions of this Article shall not apply and Tenant shall continue to pay, in the manner and at the time herein specified, the full amounts of the Rent and all other charges payable by Tenant hereunder. Except only to the extent that Tenant may be prevented from so doing pursuant to the terms of the order of the condemning authority, Tenant shall perform and observe all of the other terms, covenants, conditions and obligations hereof to be performed by it, as though such taking had not occurred. In such event, Tenant shall be entitled to receive the entire amount of Condemnation Proceeds made for such taking, whether paid by way of damages, rent or otherwise; provided, that Landlord shall be entitled to receive any portion of the same applicable to any period beyond the scheduled expiration date of this Lease.

16.6 Notices of Action: Representation. In the event any action is filed to condemn the Leased Property or the Improvements or Tenant's Leasehold estate or any part thereof, the party having knowledge of such filing shall promptly give notice thereof to the other party. Landlord, Tenant and any mortgagee shall each have the right at its own cost and expense to represent its respective interest in each proceeding, negotiation and settlement with respect to any taking or threatened taking and to make full proof of its claim.

16.7 Disputes. If Landlord and Tenant cannot agree in respect of any matters to be determined under this Article, a determination shall be requested of the court having jurisdiction over the taking or condemnation; provided, however, that if said court will not accept such matters for determination, either party may have the matters determined by a court otherwise having jurisdiction over the parties.

ARTICLE XVII.
SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE

17.1 Intentionally Omitted.

17.2 Attornment. Tenant shall and hereby agrees to attorn, and be bound under all of the terms, provisions, covenants and conditions of this Lease, to any successor of the interest of Landlord under this Lease for the balance of the Term of this Lease remaining at the time of the succession of such interest to such successor. In particular, in the event that any proceedings are brought for the foreclosure of any mortgage or security interest encumbering or collateral assignment of Landlord's interest in the Leased Property, or any portion thereof, Tenant shall attorn to the purchaser at any such foreclosure sale and recognize such purchaser as Landlord under this Lease, subject, however, to all of the terms and conditions of this Lease. Tenant agrees that neither the purchaser at any such foreclosure sale nor the foreclosing mortgagee or holder of such security interest or collateral assignment shall have any liability for any act or

omission of Landlord, be subject to any offsets or defenses which Tenant may have as claim against Landlord.

17.3 Rights of Mortgagees and Assignees. At the time of giving any notice of default to Landlord, Tenant shall mail or deliver to the holders of any mortgage on the Leased Property or holder of security interest in or collateral assignment of this Lease who have, in writing, notified Tenant of their interests (individually a "Mortgagee") a copy of any such notice. No notice of default or termination of this Lease by Tenant shall be effective until any Mortgagee shall have been furnished a copy of such notice by Tenant. In the event Landlord fails to cure any default by it under this Lease, the Mortgagee shall have, at its option, a period of thirty (30) days within which to remedy such default of Landlord or to cause such default to be remedied. In the event that the Mortgagee elects to cure any such default by Landlord, then Tenant shall accept such performance on the part of such Mortgagee as though the same had been performed by Landlord, and for such purpose Tenant hereby authorizes any Mortgagee to enter upon the Leased Property to the extent necessary to exercise any of Landlord's rights, powers and duties under this Lease. If, in the event of any default by Landlord which is reasonably capable of being cured by a Mortgagee, the Mortgagee promptly commences and diligently pursues to cure the default, then Tenant will not unreasonably withhold its consent to a further extension of the foregoing cure period by up to an additional thirty (30) days before Tenant would attempt to terminate this Lease or cease to perform any of its obligations under this Lease so long as the Mortgagee is, with due diligence, engaged in the curing of such default.

ARTICLE XVIII.
LANDLORD'S RESERVATIONS AND RESTRICTIONS

18.1 Surrender of Leased Property. Tenant shall, on or before the last day of the term of this Lease or upon the sooner termination thereof, peaceably and quietly surrender and deliver to Landlord the Leased Property (including, without limitation, all Improvements), in good order, condition and repair, reasonable wear and tear excepted, and free and clear of all liens and encumbrances except the Permitted Exceptions. Tenant acknowledges and agrees that upon termination hereof the Improvements shall be and belong to the Landlord free and clear of any interest of Tenant or third party therein and/or any encumbrance thereupon, other than Tenant's rights under Section 24.3 of this Lease and the Permitted Exceptions, to the extent the same survive termination of this Lease.

18.2 Holding Over. If Tenant or any other person or party shall remain in possession of the Leased Property or any part thereof following the expiration of the Term or earlier termination of this Lease without an agreement in writing between Landlord and Tenant with respect thereto, the person or party remaining in possession shall be deemed to be a tenant at sufferance, and during any such holdover, the Rent payable under this Lease by such tenant at sufferance shall be double the rate or rates in effect immediately prior to the expiration of the Term or earlier termination of this Lease. In no event, however, shall such holding over be deemed or construed to be or constitute a renewal or extension of this Lease.

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ARTICLE XIX.
LIABILITY OF LANDLORD; INDEMNIFICATION

19.1 Liability of Landlord. Landlord shall not be liable to Tenant, its employees, agents, business invitees, licensees, customers, clients, family members or guests for any damage, injury, loss, compensation or claim arising out of or resulting from any act or event occurring within the Leased Property, including, but not limited to: (a) repairs to any portion of the Leased Property; (b) interruption in Tenant's use of the Leased Property; (c) any accident or damage resulting from the use or operation by Tenant or any other person or persons of any equipment within the Leased Property, including without limitation, heating, cooling, electrical or plumbing equipment or apparatus; (d) the termination of this Lease by reason of the condemnation or destruction of the Leased Property in accordance with the provisions of this Lease; (e) any fire, robbery, theft, mysterious disappearance or other casualty occurring within the Leased Property; (f) the actions of any other person or persons; and (g) any leakage or seepage in or from any part or portion of the Leased Property, whether from water, rain or other precipitation that may leak into, or flow from, any part of the Leased Property, or from drains, pipes or plumbing fixtures in the Improvements. Any goods, property or personal effects stored or placed by the Tenant or its employees in or about the Leased Property shall be at the sole risk of the Tenant.

19.2 Indemnification of Landlord. Tenant shall defend, indemnify and save and hold Landlord harmless from and against and reimburse Landlord for, any and all liabilities, obligations, losses, damages, injunctions, suits, actions, fines, penalties, claims, demands, costs and expenses of every kind or nature, including reasonable attorneys' fees and court costs, incurred by Landlord, arising directly or indirectly from or out of: (a) any failure by Tenant to perform any of the terms, provisions, covenants or conditions of this Lease on Tenant's part to be performed; (b) any accident, injury or damage which shall happen at, in or upon the Leased Property, occurring during the term of this Lease or any extension hereof; (c) any matter or thing arising out of the condition, occupation, maintenance, alteration, repair, use or operation by any person of the Leased Property, or any part thereof, or the operation of the business contemplated by this Lease to be conducted thereon, thereat, therein, or therefrom; (d) any failure of Tenant to comply with any laws, ordinances, requirements, orders, directions, rules or regulations of any governmental authority, including, without limitation, the Accessibility Laws; (e) any contamination of the Leased Property, or the groundwaters thereof, occurring after Tenant takes possession of the Leased Property and before the end of the term of this Lease and its extensions, and occasioned by the use, transportation, storage, spillage or discharge thereon, therein or therefrom of any toxic or hazardous chemicals, compounds, materials or substances, whether by Tenant or by any agent or invitee of Tenant; (f) any discharge of toxic or hazardous sewage or waste materials from the Leased Property into any septic facility or sanitary sewer system serving the Leased Property occurring after Tenant takes possession of the Leased Property and before the end of the Term of this Lease and its extensions, whether by Tenant or by any agent of Tenant; or (g) any other act or omission of Tenant, its employees, agents, invitees, customers, licensees or contractors.

Tenant's indemnity obligations under this Article and elsewhere in this Lease arising prior to the termination, expiration or assignment of this Lease shall survive any such termination, expiration or assignment (except to the extent that any such obligations arise out of acts occurring following any such termination, expiration or assignment hereof).

19.3 Notice of Claim or Suit. Tenant shall promptly notify Landlord of any claim, action, proceeding or suit instituted or threatened against Tenant or Landlord of which Tenant receives notice or of which Tenant acquires knowledge. In the event Landlord is made a party to any action for damages or other relief against which Tenant has indemnified Landlord, as aforesaid, Tenant shall defend Landlord, pay all costs and shall provide effective counsel to Landlord in such litigation or, at Landlord's option, shall pay all reasonable attorneys' fees and costs incurred by Landlord in connection with its own defense or settlement of said litigation.

19.4 Limitation on Liability. In the event Tenant is awarded a money judgment against Landlord, Tenant's sole recourse for satisfaction of such judgment shall be limited to execution against the Leased Property and the proceeds thereof. In no event shall any stockholder or shareholder of Landlord be personally liable for the obligations of Landlord hereunder.

19.5 Landlord a Single Purpose Entity. Landlord represents, agrees and warrants that Landlord is, and throughout the Term will remain, a single purpose entity consistent with the present constituent documents of Landlord.

ARTICLE XX.
THIRD PARTY RIGHTS AND OBLIGATIONS

20.1 Third Party Documents. Landlord and Tenant acknowledge that the Community and/or the interests of Landlord, Tenant and Facility Tenant therein are subject and subordinate to various documents involving other parties, relating to the development, financing, leasing, occupancy and management of the Community on the Leased Property, including without limitation the documents described and identified in **Exhibit E** attached hereto (referred to herein collectively as the "Third Party Documents," and otherwise as defined in said **Exhibit E**). Tenant has agreed and does hereby agree with and in favor of Landlord to fully and timely perform all of its material obligations under and relating to the Third Party Documents.

20.2 Landlord's Rights Subject to Provisions of Mercantile Bank Tri-Party Agreement. Notwithstanding anything contained herein to the contrary, the interests and rights of Landlord pursuant to this Lease are subject in all respects to the terms, covenants and limitations as set forth in that certain Ground Lessor Tri-Party Agreement ("Tri-Party Agreement") effectively dated of even date herewith among Mercantile - Safe Deposit and Trust Company, Landlord and CNL Retirement Partners, LP, a Delaware limited partnership ("CNL Partners"), and with the approval and joinder of Tenant, the provisions of which Tri-Party Agreement are incorporated herein by reference to the same extent as if fully set forth herein. In the event of a conflict between the terms of this Lease and the terms of the Tri-Party Agreement, the terms of the Tri-Party Agreement shall control.

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20.3 Landlord's Rights Subject to Provisions of Fox Run Village Non-Disturbance Agreement. Notwithstanding anything contained herein to the contrary, the Facility Lease and the Community Loan (as such term is identified and defined in **Exhibit E** attached hereto), shall be superior in all respects to this Lease, subject only to the terms, covenants and limitations as set forth in that certain Fox Run Village Non-Disturbance, Attornment and Recognition Agreement (the "Fox Run Agreement") effectively dated of even date herewith among Facility Tenant, Tenant and Landlord, the terms of which Fox Run Agreement are incorporated herein by reference thereto to the same extent as if fully set forth herein.

ARTICLE XXI.
DEFAULT

21.1 Events of Default. Each of the following events shall be an Event of Default hereunder by Tenant and shall constitute a breach of this Lease:

(a) If Tenant shall fail to pay, within ten (10) days of when due, any Rent, or portion thereof.

(b) If Tenant shall violate or fail to comply with or perform any other term, provision, covenant, agreement or condition to be performed or observed by Tenant under this Lease, and such violation or failure shall continue for a period of thirty (30) days after written notice from Landlord of such default. In the event of a default other than a monetary default, if the nature of the default is such that it cannot reasonably be cured within the time period specified above, then Tenant shall have such additional time as is reasonable to effect such cure provided that (i) Tenant has commenced and diligently pursued such curative actions within the time period specified above, (ii) Tenant at all times diligently and continuously pursue such curative actions, and (iii) Tenant is not otherwise in default hereunder.

(c) If any assignment, transfer, sublease or encumbrance shall be made or deemed to be made that is in violation of the provisions of this Lease.

(d) If, at any time during the term of this Lease, Tenant shall file in any court, pursuant to any statute of either the United States or of any State, a petition in bankruptcy or insolvency, or for reorganization or arrangement, or for the appointment of a receiver or trustee of all or any portion of Tenant's property, including, without limitation, its leasehold interest in the Leased Property, or if Tenant shall make an assignment for the benefit of its creditors or petitions for or enters into an arrangement with its creditors.

(e) If, at any time during the term of this Lease, there shall be filed against Tenant in any courts pursuant to any statute of the United States or of any State, a petition in bankruptcy or insolvency, or for reorganization, or for the appointment of a receiver or trustee of all or a portion of Tenant's property, including, without limitation, its leasehold interest in the Leased Property, and any such proceeding against Tenant shall not be dismissed within sixty (60) days following the commencement thereof.

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(f) If Tenant's leasehold interest in the Leased Property or property therein shall be seized under any levy, execution, attachment or other process of court where the same shall not be vacated or stayed on appeal or otherwise within thirty (30) days thereafter, or if Tenant's leasehold interest in the Leased Property is sold by judicial sale and such sale is not vacated, set aside or stayed on appeal or otherwise within thirty (30) days thereafter. The provisions of this subsection (f) shall not apply to any foreclosure of any leasehold mortgage permitted hereunder encumbering Tenant's interest under this Lease.

(g) If Tenant defaults under any of the Third Party Documents and does not cure any such default within the applicable notice and cure period.

(h) If Facility Tenant defaults under any of the Third Party Documents and does not cure any such default within the applicable notice and cure period.

In the event that any Existing Mortgagee elects to cure any default by Tenant as permitted under Section 14.3 hereof, then Landlord shall accept such performance on the part of such Existing Mortgagee as though the same had been performed by Tenant, and for such purpose Landlord hereby authorizes any Existing Mortgagee to enter upon the Leased Property to the extent necessary to exercise any of Tenant's rights, powers and duties under this Lease.

21.2 Remedies on Default. Upon the occurrence of an Event of Default hereinabove specified:

(a) Landlord may, subject to the limitations hereinafter set forth, terminate this Lease and, peaceably or pursuant to appropriate legal proceedings, re-enter, retake and resume possession of the Leased Property and Improvements for Landlord's own account and, for Tenant's breach of and default under this Lease, recover immediately from Tenant any and all rents and other sums and damages due or in existence at the time of such termination, including, without limitation, (i) all Rent and other sums, charges, payments, costs and expenses agreed and/or required to be paid by Tenant to Landlord hereunder, (ii) all costs and expenses of Landlord in connection with the recovery of possession of the Leased Property, including reasonable attorneys' fees and court costs, and (iii) all costs and expenses of Landlord in connection with any reletting or attempted reletting of the Leased Property or any part or parts thereof, including, without limitation, brokerage fees, attorneys' fees and the cost of any alterations or repairs which may be reasonably required to so relet the Leased Property, or any part or parts thereof;

(b) Landlord may, pursuant to any prior notice required by law, and without terminating this Lease, peaceably or pursuant to appropriate legal proceedings, re-enter, retake and resume possession of the Leased Property for the account of Tenant, make such alterations of and repairs to the Leased Property as may be reasonably necessary in order to relet the same or any part or parts thereof and relet or attempt to relet the Leased Property or any part or parts thereof for such Term or terms (which may be for a term or terms extending beyond the Term of this Lease), at such rents and upon such other terms and provisions as Landlord, in its sole, but reasonable, discretion, may deem advisable. If Landlord relets or attempts to relet the Leased Property, Landlord shall at its sole discretion determine the terms and provisions of any new

lease or sublease and whether or not a particular proposed new tenant or subtenant is acceptable to Landlord. Upon any such reletting, all rents received by the Landlord from such reletting shall be applied, (a) first, to the payment of all costs and expenses of recovering possession of the Leased Property, (b) second, to the payment of any costs and expenses of such reletting, including brokerage fees, attorneys' fees and the cost of any alterations and repairs reasonably required for such reletting; (c) third, to the payment of any indebtedness, other than Rent, due hereunder from Tenant to the Landlord, (d) fourth, to the payment of all Rent and other sums due and unpaid hereunder, and (e) fifth, the residue, if any, shall be held by the Landlord and applied in payment of future Rents as the same may become due and payable hereunder. If the rents received from such reletting during any period shall be less than that required to be paid during that period by the Tenant hereunder, Tenant shall promptly pay any such deficiency to the Landlord and failing the prompt payment thereof by Tenant to Landlord, Landlord shall immediately be entitled to institute legal proceedings for the recovery and collection of the same. Such deficiency shall be calculated and paid at the time each payment of rent shall otherwise become due under this Lease, or, at the option of Landlord, at the end of the term of this Lease. Landlord shall, in addition, be immediately entitled to sue for and otherwise recover from Tenant any other damages occasioned by or resulting from any abandonment of the Leased Property or other breach of or default under this Lease other than a default in the payment of rent. No such re-entry, retaking or resumption of possession of the Leased Property by the Landlord for the account of Tenant shall be construed as an election on the part of Landlord to terminate this Lease unless a written notice of such intention shall be given to the Tenant or unless the termination of this Lease be decreed by a court of competent jurisdiction. Notwithstanding any such re-entry and reletting or attempted reletting of the Leased Property or any part or parts thereof for the account of Tenant without termination, Landlord may at any time thereafter, upon written notice to Tenant, elect to terminate this Lease or pursue any other remedy available to Landlord for Tenant's previous breach of or default under this Lease.

(c) Landlord may, without re-entering, retaking or resuming possession of the Leased Property, sue for all Rent and all other sums, charges, payments, costs and expenses due from Tenant to Landlord hereunder either: (i) as they become due under this Lease, or (ii) at Landlord's option, accelerate the maturity and due date of the whole or any part of the Rent for the entire then-remaining unexpired balance of the Term of this Lease, as well as all other sums, charges, payments, costs and expenses required to be paid by Tenant to Landlord hereunder, including, without limitation, damages for breach or default of Tenant's obligations hereunder in existence at the time of such acceleration, such that all sums due and payable under this Lease shall, following such acceleration, be treated as being and, in fact, be due and payable in advance as of the date of such acceleration. Landlord may then proceed to recover and collect all such unpaid Rent and other sums so sued for from Tenant by distress, levy, execution or otherwise. Regardless of which of the foregoing alternative remedies is chosen by Landlord under this subparagraph (c), Landlord shall not be required to relet the Leased Property nor exercise any other right granted to Landlord pursuant to this Lease, nor shall Landlord be under any obligation to minimize or mitigate Landlord's damages or Tenant's loss as a result of Tenant's breach of or default under this Lease.

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(d) Subject to any applicable limitations or consent and approval rights of parties (other than Tenant and Guarantor (as hereinafter defined)) to the Third Party Documents, Landlord shall have the right to replace or cause the replacement of the developer under the Development Agreement with a qualified replacement manager and developer, which shall be paid market rate development and management fees of not less than Five Percent (5%) of initial Entrance Deposits (as defined in the Facility Lease and the Development Agreement described in **Exhibit E**).

In addition to the remedies hereinabove specified and enumerated, Landlord shall have and may exercise the right to invoke any other remedies allowed at law or in equity as if the remedies of re-entry, unlawful detainer proceedings and other remedies were not herein provided. Accordingly, the mention in this Lease of any particular remedy shall not preclude Landlord from having or exercising any other remedy at law or in equity. Nothing herein contained shall be construed as precluding the Landlord from having or exercising such lawful remedies as may be and become necessary in order to preserve the Landlord's right or the interest of the Landlord in the Leased Property and in this Lease, even before the expiration of any notice periods provided for in this Lease, if under the particular circumstances then existing the allowance of such notice periods will prejudice or will endanger the rights and estate of the Landlord in this Lease and in the Leased Property.

21.3 Landlord May Cure Tenant Defaults. If Tenant shall default in the performance of any term, provisions, covenant or condition on its part to be performed hereunder Landlord may, after notice to Tenant and a reasonable time to perform after such notice (or without notice if, in Landlord's reasonable opinion, an emergency involving a threat to life or health or of imminent destruction of material property interests exists) perform the same for the account and at the expense of Tenant. If, at any time and by reason of such default, Landlord is compelled to pay, or elects to pay, any sum of money or do any act which will require the payment of any sum of money, or is compelled to incur any expense in the enforcement of its rights hereunder or otherwise, such sum or sums, together with interest thereon at the highest rate allowed under the laws of the State of Michigan, shall be deemed Additional Rent hereunder and shall be repaid to Landlord by Tenant promptly when billed therefor, and Landlord shall have all the same rights and remedies in respect thereof as Landlord has in respect of the rents herein reserved.

21.4 Intentionally Omitted.

21.5 Rights Cumulative. The rights and remedies provided and available to Landlord in this Lease are distinct, separate and cumulative remedies, and no one of them, whether or not exercised by Landlord, shall be deemed to be in exclusion of any other.

ARTICLE XXII.
NOTICES

All notices, elections, requests and other communication hereunder shall be in writing and shall be deemed to have been given or made when delivered by hand or by overnight courier, or five (5) days after deposited in the United States mail, postage prepaid, by registered or certified mail, return receipt requested or, in the case of notice by telex, facsimile transmission or

other telegraphic communications equipment, when properly transmitted with receipt acknowledged upon transmission, addressed as follows or to such other address as may be hereafter designated in writing by one party to the others:

If to Landlord:

CNL Retirement ER2, LP
c/o CNL Retirement Corp.
CNL Center at City Commons
450 South Orange Avenue
Orlando, Florida 32801
Attn: Chief Operating Officer
Phone: (407) 835-3201
Fax: (407) 835-3232

With a copy to:

Lowndes, Drosdick, Doster, Kantor & Reed, P.A.
215 North Eola Drive
Orlando, Florida 32801
Attn: Patrick K. Rinka, Esq.
Phone: (407) 843-4600
Fax: (407) 843-4444

If to Tenant:

Novi Campus, LLC
701 Maiden Choice Lane
Catonsville, Maryland 21228
Attn: General Counsel
Phone: (410) 737-8914
Fax: (410) 737-8828

or such other address as may be designated by either party by written notice to the other. Any notice mailed to the last designated address of any person or party to which a notice may be or is required to be delivered pursuant to this Lease shall not be deemed ineffective if actual delivery cannot be made due to a change of address of the person or party to which the notice is directed or the failure or refusal of such person or party to accept delivery of the notice.

ARTICLE XXIII.
ADDITIONAL COVENANTS OF TENANT

23.1 Conduct of Business. Tenant shall not engage in any business other than the leasing and operation of the Leased Property for the Permitted Use and activities incidental thereto, and shall do or cause to be done all things necessary to preserve, renew and keep in full force and effect and in good standing its corporate, limited partnership, limited liability company or other entity status and existence and its rights and licenses necessary to conduct such business.

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23.2 Additional Covenants of Tenant. In addition to the other covenants and representations of Tenant herein and in this Lease, Tenant hereby covenants, acknowledges and agrees that Tenant shall:

(a) Undertake or obtain and provide to Landlord a risk management audit and report regarding the operation of the assisted living and skilled nursing uses within the Facility annually for compliance with all applicable laws governing the ongoing use and operation of the Facility for the Permitted Use and provide Landlord with a copy of the report and any other results of the audit.

(b) Give prompt notice to Landlord of any litigation or any administrative proceeding involving Tenant, Facility Tenant, Landlord or the Leased Property of which Tenant has notice or actual knowledge and which involves a potential uninsured liability equal to or greater than $100,000.00 or which, in Tenant's reasonable opinion, may otherwise result in any material adverse change in the business, operations, property, prospects, results of operation or conditions, financial or otherwise, of Tenant, Facility Tenant or the Facility.

23.3 Tenant a Single Purpose Entity. Tenant represents, agrees and warrants that Tenant is, and throughout the Term will remain, a Single Purpose Entity as described and contemplated on **Exhibit G** hereof.

23.4 Compliance with Development Agreement. Tenant shall comply with all material terms and provisions of the Development Agreement (as identified and defined in **Exhibit E** attached hereto), subject to Tenant's right to pursue all available remedies, at law and in equity, with respect to any alleged default in the performance of the developer/development manager's duties and obligations under the Development Agreement, or otherwise contest, in good faith and with due diligence, any such alleged default by Tenant. Unless required by applicable laws, Tenant shall not enter into any modifications or amendments of the Development Agreement, nor, except as otherwise expressly set forth in this Lease, terminate the same prior to the expiration thereof, without Landlord's prior written consent; nor shall Tenant enter into any extension or replacement of the Development Agreement or elect not to extend the term of the Development Agreement without Landlord's prior written consent. In addition, in no event will the term of any Development Agreement extend beyond the Term hereof. In addition to the obligations contained herein, Tenant agrees to promptly deliver to Landlord copies of all notices provided by the Developer to Tenant under the terms of the Development Agreement concerning notices of default, notices of changes or modifications to the Leased Property and the like.

23.5 Intentionally Deleted.

ARTICLE XXIV.
TENANT PURCHASE RIGHTS

24.1 Right of First Offer. Tenant has requested and Landlord has agreed to provide to Tenant, under certain terms and conditions as more particularly set forth below, a right of first offer in connection with any proposed sale of the Leased Property by Landlord, including, without limitation, the Licenses, Permits, Plans, Contracts and Warranties assigned to Landlord

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pursuant to that certain Assignment of Licenses, Permits, Plans, Contracts and Warranties executed by Tenant to and in favor of Landlord dated of even date herewith, under the following terms and conditions:

(a) Landlord hereby grants to Tenant a right of first offer to purchase the Leased Property on the terms and subject to the conditions set forth below:

(b) If Landlord desires to transfer or convey title to the Leased Property then Landlord shall, before consummating such sale or making such transfer, provide to Tenant written notice of such desire. In the event that Tenant elects to exercise its right of first offer to purchase the Leased Property, then Tenant shall have the right, for a period of fifteen (15) business days from its receipt of such written notice, to deliver to Landlord, a written offer to purchase the Leased Property acknowledging Landlord's notice and specifying the purchase price for the Leased Property offered by Tenant. Failure of Tenant to deliver to Landlord an offer to purchase within such time period shall be deemed to constitute a waiver of Tenant's right of first offer under this Lease and Landlord shall be entitled to proceed to sell the Leased Property, subject to the provisions of Section 24.1(d) below. If Tenant delivers an offer to purchase meeting the requirements of this Section 24.1(b), then Landlord shall have fifteen (15) business days from receipt of Tenant's written offer to deliver to Tenant written notice of Landlord's acceptance or rejection of Tenant's offer. Failure of Landlord to deliver such notice of acceptance within said time period shall be deemed to constitute a rejection of Tenant's offer by Landlord. If Landlord rejects Tenant's offer then Landlord shall be entitled to proceed to sell the Leased Property at a purchase price which is greater than the purchase price offered by Tenant, subject to the provisions of Section 24.1(d) below, but Landlord shall not be entitled to sell the Leased Property at a purchase price which is equal to or less than the purchase price offered by Tenant unless Landlord shall first offer to Tenant the right [exercisable if at all within fifteen (15) business days from notice thereof] to purchase the Leased Property for such equal or lesser price.

(c) If Landlord accepts Tenant's offer to purchase the Leased Property, then the purchase and sale of the Leased Property shall be consummated upon the following terms and conditions:

(i) Within five (5) business days of Landlord's acceptance of Tenant's offer to purchase the Leased Property, Tenant shall deliver to Landlord in federal funds an earnest money deposit equal to ten percent (10%) of the proposed purchase price for the Leased Property (the "Earnest Money Deposit"), which Earnest Money Deposit shall be nonrefundable to Tenant except in the event of a default by Landlord in the performance of its obligations under this right of first offer, but shall be applicable to the purchase price for the Leased Property at closing.

(ii) The purchase price for the Leased Property shall be equal to the purchase price offered by Tenant and accepted by Landlord in accordance with the terms of this Section 24.1.

(iii) Conveyance of the Leased Property by Landlord must be by Special Warranty Deed and subject only to such matters as existed upon the Effective Date of the

Lease and such subsequent matters as are caused or incurred in good faith pursuant the terms of the Lease, or with Tenant's written consent or joinder or by Tenant's or Facility Tenant's actions (but in no event subject to any mortgages, security interests or other encumbrances or liens created or granted by Landlord).

(iv) Closing of the sale and purchase contemplated hereby shall occur within ninety (90) days following Landlord's delivery to Tenant of notice of Landlord's acceptance of Tenant's offer to purchase.

(v) All closing costs incurred in connection with the closing shall be paid by Tenant, except for Landlord's attorney fees, which shall be paid by Landlord.

(vi) No prorations relating to operation of the Leased Property shall be required, as the same is to remain leased to Tenant on a net-lease basis throughout the term of this Agreement. To the extent Landlord has received advance payment of rent, or has advanced sums on behalf of Tenant for proratable or reimbursable expenses under the Lease for which Landlord has not been reimbursed through or as of the date of any closing hereunder, the same shall be prorated. Tenant shall be entitled to a credit against the purchase price hereunder for any security or other deposits held by Landlord hereunder.

(d) In the event that Tenant's right of first offer is either waived or rejected, as applicable, pursuant to the provisions of Section 24.1(b) hereof, Landlord may proceed to sell the Leased Property in accordance with the provisions hereof; provided, however, that if Landlord fails to enter into a valid contract for the purchase and sale of the Leased Property within one hundred and twenty (120) days of the date on which Tenant's right of first offer is either waived or rejected, as applicable, as provided above, or if Landlord enters into such a contract but the transaction contemplated thereby does not close and the contract expires or is terminated, then Tenant's right of first offer shall return to full force and effect and shall be exercisable thereafter in accordance with the terms of this Section 24.1. In the event that Landlord sells the Leased Property in accordance with the provisions hereof, then Tenant's right of first offer granted herein shall be void and of no further force and effect.

(e) Intentionally Omitted.

(f) Notwithstanding anything contained herein to the contrary, Tenant's aforesaid right of first offer shall not apply to any sale, transfer or conveyance by Landlord to an affiliated entity which is under common control with and at least directly or indirectly majority-owned by Landlord, CNL Partners or their common ultimate parent, CNL Retirement Properties, Inc., so long as following any such transfer, there shall be no resulting default on the part of any successor Landlord hereunder, and Tenant's right of first offer hereunder shall continue to remain in effect with respect to any subsequent transfer by any such person or entities.

(g) The right of first offer established hereunder may not be transferred or assigned separate from this Lease, and may only be assigned to the assignee under a permitted assignment hereof.

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(h) The right of first offer established hereunder shall automatically terminate and be of no further force and effect upon the occurrence of any of the following events:

(i) The existence of a Default or Event of Default under this Lease or the Guaranty (as hereinafter defined), of which notice has been given to Tenant or Tenant or which otherwise is known to Tenant which is uncured as of any date established hereunder for Tenant to deliver to Landlord an offer to purchase the Leased Property, provided that the Leased Property is sold within two hundred and seventy (270) days following such date; or

(ii) A termination of the Lease or the Guaranty (as hereinafter defined) for any reason other than a default of Landlord under the Lease.

24.2 Option to Purchase. In addition to the foregoing right, Tenant shall have the option to purchase the Landlord's entire interest in and relating to the Leased Property including, without limitation, the Licenses, Permits, Plans, Contracts and Warranties assigned to Landlord pursuant to that certain Assignment of Licenses, Permits, Plans, Contracts and Warranties executed by Tenant to and in favor of Landlord dated of even date herewith, as follows:

(a) Tenant shall exercise its option hereunder by giving at least sixty (60) days written notice to Landlord of Tenant's intent to exercise the option.

(b) The "Option Purchase Price" to be paid by Tenant at closing of the option, if exercised, shall be determined as follows:

(i) If closing pursuant to the Tenant's option to purchase under this Section 24.2 (the "Option Closing") occurs prior to February 28, 2007: Landlord's Original Investment, plus Fifty Percent (50%) of all rent that would have been paid from the date of closing of the Tenant's purchase of the Leased Property hereunder (the "Repurchase Date") through February 28, 2007.

(ii) If the Option Closing occurs between March 1, 2007 and February 28, 2011: Landlord's Original Investment, plus an additional percentage thereof equal to Fifty Percent (50%) of any increases in the national Consumer Price Index for all urban areas ("CPI") from March 1, 2007 through the Repurchase Date.

(iii) If the Option Closing occurs after February 28, 2011: Landlord's Original Investment, plus an additional percentage thereof equal to the greater of (x) 100% of any increases in the Consumer Price Index ("CPI") from February 1, 2007 through the Repurchase Date, or (y) the FMV Percentage Increase from the Commencement Date to the Repurchase Date.

(c) The Option Closing shall be held in the office of Landlord's attorneys on or before a date which is sixty (60) days after Landlord's receipt of Tenant's deposit as set forth in Section 24.1(c)(i) above, or at such other time or place as shall be mutually acceptable to Landlord and Tenant.

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(d) Tenant shall receive a credit for the Reserve Deposit and the Earnest Money Deposit being held by Landlord, and the balance of the Option Purchase Price shall be paid at closing in cash, by cashier's check on cleared local funds or by wire transfer to Landlord's account.

(e) All expenses of closing shall be paid by Tenant.

(f) Tenant shall be deemed to have exercised and effected the option to purchase hereunder, and shall be obligated to pay to Landlord the full Option Purchase Price immediately and without offset or credit except for amounts which would otherwise be refundable to Tenant upon the proper termination of this Lease, in the event that title to the Premises is transferred or conveyed to the Facility Tenant, or to the holder of any mortgage or similar lien or encumbrance or party claiming thereunder or purchasing at foreclosure thereof, pursuant to an exercise of any purchase option or foreclosure of any mortgage or other lien or encumbrance to which the Leased Property has been or is subjected at the direction or with the consent of Tenant.

24.3 Rights Subject to Lease. The right of first offer and option to purchase as set forth in this Article XXIV shall be subject to the payment to Landlord, no later than the right of first offer closing, or Option Closing, as applicable, of all amounts due or payable to Landlord pursuant to the terms of this Lease. In the event of an early termination of this Lease, the rights of Tenant to acquire the Leased Property under Section 24.2 hereof shall, unless Tenant has filed or otherwise becomes subject to any type of bankruptcy event or filing, survive until thirty (30) days after Tenant's receipt of notice that this Lease has been terminated.

ARTICLE XXV.
REIT AND UBTI REQUIREMENTS

Tenant understands that, in order for Landlord to qualify as a real estate investment trust (a "REIT") under the Internal Revenue Code of 1986, as amended (the "Code"), the following requirements must be satisfied. The parties intend that amounts to be paid by Tenant hereunder and received or accrued, directly or indirectly, by Landlord with respect to the Leased Property (including any rents attributable to personal property that is leased with respect thereto) will qualify as "rents from real property" (within the meaning of Code Section 856(d) and Section 512(b)(3)). Consistent with this intent, the parties agree that:

25.1 Intentionally Omitted.

25.2 Basis for Sublease Rent Restricted. Tenant cannot sublet the Leased Property, or enter into any similar arrangement, on any basis such that the rental or other amounts paid by the sublessee thereunder would be based, in whole or in part, on either (a) the net income or profits derived by the business activities of the sublessee or (b) any other formula such that any portion of the rent paid by Tenant to Landlord would fail to qualify as "rent from real property" within the meaning of Section 856(d) and Section 512(b)(3) of the Code and regulations promulgated thereunder. Landlord and Tenant stipulate and agree that the Facility Lease, although not a sublease, complies with this provision.

25.3 Landlord Affiliate Subleases Restricted. Anything to the contrary in this Agreement notwithstanding, Tenant shall not sublease the Leased Property to, or enter into any similar arrangement with, any person in which Landlord owns, directly or indirectly, a ten percent (10%) or more interest, with the meaning of Section 856(d)(2)(B) of the Code, and any such action shall be deemed void *ab initio*. Anything to the contrary in this Agreement notwithstanding, Tenant shall not sublease the Leased Property to, or enter into any similar arrangement with, any Person that Landlord would be deemed to control within the meaning of Section 512 (b)(13) of the Code.

25.4 Landlord Interests in Tenant Restricted. Anything to the contrary in this Agreement notwithstanding, neither party shall take, or permit to take, any action that would cause Landlord to own, directly or indirectly, a ten percent (10%) or greater interest in the Tenant within the meaning of Section 856(d)(2)(B) of the Code, and any similar or successor provision thereto, and any such action shall be deemed void *ab initio*. In addition, anything to the contrary in this Agreement notwithstanding, Tenant shall not take or permit to take, any action that would cause Landlord to own, directly or indirectly, such interest in Tenant such that amounts received from Tenant would represent amounts received from a controlled entity within the meaning of Section 512(b)(13) of the Code. This provision shall not be deemed to limit or affect, however, Landlord's right to realize upon the pledge of the membership interests of Tenant which has been provided by Guarantor (as hereinafter defined) as further security in the event of an Event of Default hereunder.

25.5 Intentionally Omitted.

25.6 Certain Subtenants Prohibited. Anything to the contrary in this Agreement notwithstanding, Tenant shall not sublease the Leased Property to, or enter into any similar arrangement with, any Person that would be described in Section 514(c)(9)(B)(iii) or (iv) of the Code. This provision shall not be construed in any way to affect the Facility Lease, nor to limit Tenant's ability to lease its interests in the Leased Property, the Improvements and other elements of the Community to the Facility Tenant.

25.7 Future Amendment. Subject to the terms and conditions of the Third Party Documents and the related agreements executed by Landlord, Tenant hereby agrees to amend this Article XXV from time to time as Landlord deems necessary or desirable in order to effectuate the intent hereof, provided that the same does not result in any material change in the economic costs and benefits derived and incurred hereunder, or affect Tenant's ability to use, develop, construct, lease or repurchase the Leased Property.

ARTICLE XXVI.
MISCELLANEOUS

26.1 "Net" Lease. Landlord and Tenant acknowledge and agree that both parties intend that this Lease shall be and constitute what is generally referred to in the real estate industry as a "triple net" or "absolute net" lease, such that Tenant shall be obligated hereunder to pay all costs and expenses incurred with respect to, and associated with, the Leased Property and the business operated thereon and therein, including, without limitation, all taxes and

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assessments, utility charges, insurance costs, maintenance costs and repair, replacement and restoration expenses (all as more particularly herein provided) together with any and all other assessments, charges, costs and expenses of any kind or nature whatsoever related to, or associated with, the Leased Property and the business operated thereon and therein; provided, however, that Landlord shall nonetheless be obligated to pay any debt service on any mortgage encumbering Landlord's fee simple interest in the Leased Property, which is not a Permitted Exception, and Landlord's personal income taxes with respect to the rents received by Landlord under this Lease. Except as expressly hereinabove provided, Landlord shall bear no cost or expense of any type or nature with respect to, or associated with, the Leased Property.

26.2 Guaranty of Lease. Landlord has entered into this Lease in reliance upon the Limited Guaranty and Indemnity Agreement by Erickson Retirement Communities, LLC, a Maryland limited liability company (the "Guarantor") in favor of Landlord dated as of even date herewith (the "Guaranty"), pursuant to which Guarantor has provided certain guarantees and indemnities relating to Tenant's performance of its obligations under this Lease, not including however obligations for the payment of Rent (except under certain limited circumstances as set forth in the Guaranty).

26.3 Estoppel Certificates. Tenant shall from time to time, within fifteen (15) days after request by Landlord and without charge, give a Tenant Estoppel Certificate in the form attached hereto as **Exhibit F** and containing such other matters as may be reasonably requested by Landlord to any person, firm or corporation specified by Landlord and certifying as to the accuracy of statements as set forth therein.

26.4 Brokerage. Landlord and Tenant hereby represent and warrant to each other that they have not engaged, employed or utilized the services of any business or real estate brokers, salesmen, agents or finders in the initiation, negotiation or consummation of the business and real estate transaction reflected in this Lease. On the basis of such representation and warranty, each party shall and hereby agrees to indemnify and save and hold the other party harmless from and against the payment of any commissions or fees to or claims for commissions or fees by any real estate or business broker, salesman, agent or finder resulting from or arising out of any actions taken or agreements made by them with respect to the business and real estate transaction reflected in this Lease.

26.5 No Partnership or Joint Venture. Landlord shall not, by virtue of this Lease, in any way or for any purpose, be deemed to be a partner of Tenant in the conduct of Tenant's business upon, within or from the Leased Property or otherwise, or a joint venturer or a member of a joint enterprise with Tenant.

26.6 Entire Agreement. This Lease contains the entire agreement between the parties and, except as otherwise provided herein, can only be changed, modified, amended or terminated by an instrument in writing executed by the parties. It is mutually acknowledged and agreed by Landlord and Tenant that there are no verbal agreements, representations, warranties or other understandings affecting the same; and that Tenant hereby waives, as a material part of the consideration hereof, all claims against Landlord for rescission, damages or any other form of

relief by reason of any alleged covenant, warranty, representation, agreement or understanding not contained in this Lease. This Lease shall not be changed, amended or modified except by a written instrument executed by Landlord and Tenant.

26.7 Waiver. No release, discharge or waiver of any provision hereof shall be enforceable against or binding upon Landlord or Tenant unless in writing and executed by Landlord or Tenant, as the case may be. Neither the failure of Landlord or Tenant to insist upon a strict performance of any of the terms, provisions, covenants, agreements and conditions hereof, nor the acceptance of any Rent by Landlord with knowledge of a breach of this Lease by Tenant in the performance of its obligations hereunder, shall be deemed a waiver of any rights or remedies that Landlord or Tenant may have or a waiver of any subsequent breach or default in any of such terms, provisions, covenants, agreements and conditions.

26.8 Time. Time is of the essence in every particular of this Lease, including, without limitation, obligations for the payment of money.

26.9 Costs and Attorneys' Fees. If either party shall bring an action to recover any sum due hereunder, or for any breach hereunder, and shall obtain a judgment or decree in its favor, the court may award to such prevailing party its reasonable costs and reasonable attorneys' fees, specifically including reasonable attorneys' fees incurred in connection with any appeals (whether or not taxable as such by law). Landlord shall also be entitled to recover its reasonable attorneys' fees and costs incurred in any bankruptcy action filed by or against Tenant, including, without limitation, those incurred in seeking relief from the automatic stay, in dealing with the assumption or rejection of this Lease, in any adversary proceeding, and in the preparation and filing of any proof of claim.

26.10 Captions and Headings. The captions and headings in this Lease have been inserted herein only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of, or otherwise affect, the provisions of this Lease.

26.11 Severability. If any provision of this Lease shall be deemed to be invalid, it shall be considered deleted therefrom and shall not invalidate the remaining provisions of this Lease.

26.12 Successors and Assigns. The agreements, terms, provisions, covenants and conditions contained in this Lease shall be binding upon and inure to the benefit of Landlord and Tenant and, to the extent permitted herein, their respective successors and assigns.

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COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT TO LANDLORD'S ACCEPTING THIS LEASE.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be duly executed on or as of the day and year first above written.

SELLER:

NOVI CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, a Maryland limited liability company
Its: Sole Member/Authorized Agent

By: _____
Jeffrey A. Jacobson, Managing Director

Date: As of February 28, 2003

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BUYER:

CNL RETIREMENT ER2, LP, a Delaware limited partnership

By: CNL Retirement ER2 GP, LLC, a Delaware limited liability company
Its: General Partner

By: Bradley B. Rush
Bradley B. Rush, Senior Vice President

Date: As of February 28, 2003

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT "A"

DESCRIPTION OF REAL ESTATE

Parcel Identification No. 22-01-300-013

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3:

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as:

Beginning at a point distant East 280.00 feet from Southwest corner thereof: thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds, West, 100.00 feet to the point of ending.

PARCEL 4:

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20

seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

The combined Parcels 1, 2, 3 and 4 are more particularly described as:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Commencing at the Southwest corner of Section 1, Town 1 North, Range 8 East; thence along the West line of Section 1; North 03 degrees 28 minutes 39 seconds West 60.01 feet to the point of beginning; thence continuing along the West line of Section 1, North 03 degrees 28 minutes 39 seconds West 2590.40 feet to the West 1/4 corner of Section 1, Town 1 North, Range 8 East; thence along the West line of Section 1 and along the boundary of "The Maples of Novi, Maple Hills", Oakland County Condominium Plat No. 627, North 02 degrees 28 minutes 35 seconds West 649.69 feet; thence continuing along the boundary of "The Maples of Novi, Maple Hills" the following two (2) courses; one (1) North 87 degrees 21 minutes 41 seconds East 682.69 feet and two (2) North 03 degrees 11 minutes 10 seconds West 2.24 feet; thence along the south boundary of "Haverhill Farms", Oakland County Condominium Plat No. 912, North 87 degrees 19 minutes 27 seconds East 693.69 feet; thence South 03 degrees 16 minutes 01 second East 3236.69 feet to a point 70.00 feet North of the South line of Section 1, thence along the north line of Thirteen Mile Road the following five (5) courses: one (1) South 87 degrees 31 minutes 40 seconds West 25.33 feet, two (2) South 02 degrees 28 minutes 20 seconds East 15.00 feet, three (3) South 87 degrees 31 minutes 40 seconds West 300.00 feet, four (4) North 02 degrees 28 minutes 20 seconds West 5.00 feet, and five (5) South 87 degrees 31 minutes 40 seconds West 1050.40 feet to the point of beginning.

Commonly known as: 41100 and 41060 Thirteen Mile Road

EXHIBIT B

SITE PLAN

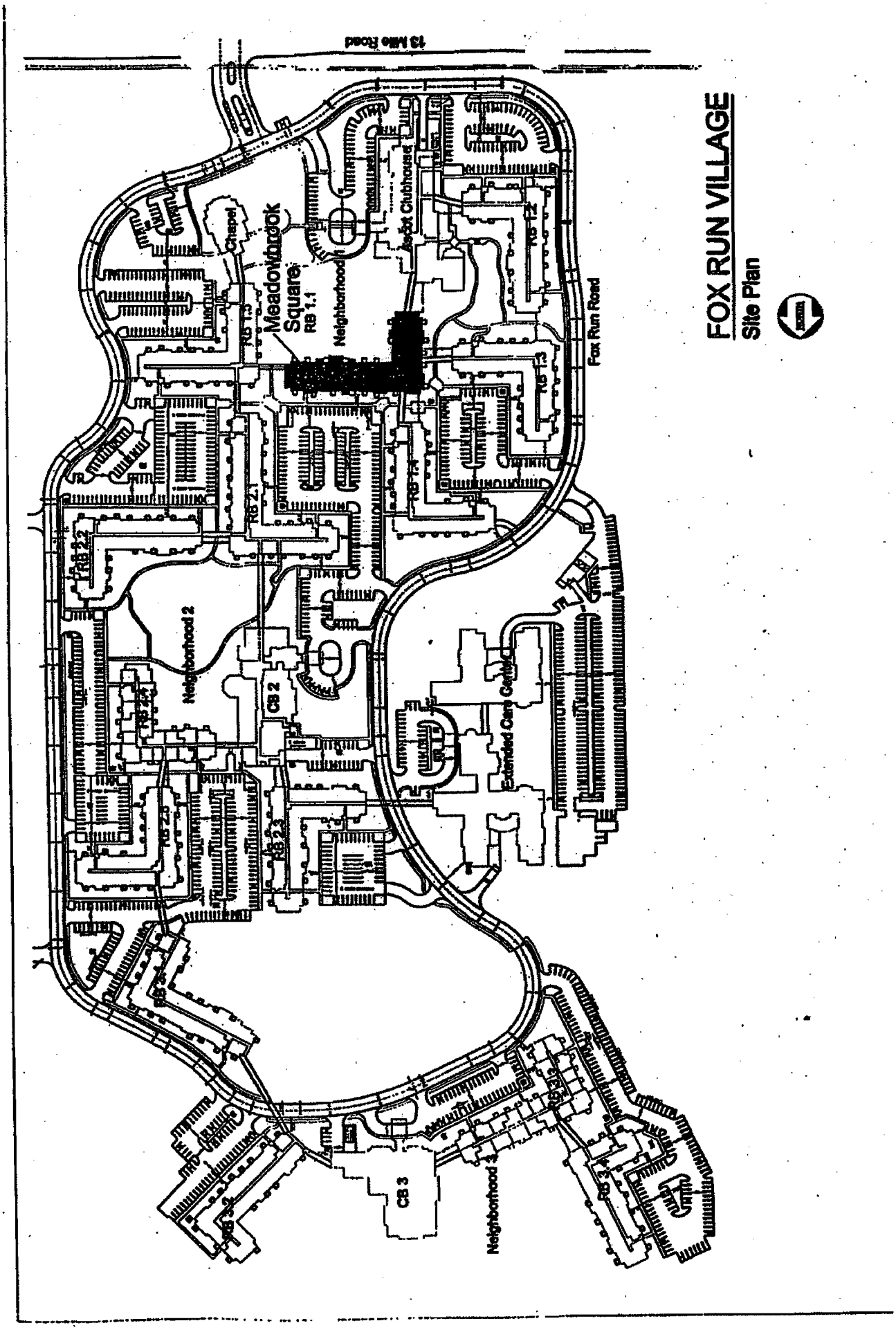
FOX RUN VILLAGE
Site Plan
13 Mile Road
Fox Run Road
Meadowbrook Square
RB 1.1
Neighborhood 1
Chapel
Adult Clubhouse
RB 1.2
RB 1.3
RB 1.4
RB 2.1
RB 2.2
RB 2.4
Neighborhood 2
CB 2
Extended Care Center
RB 2.3
RB 3.1
RB 3.2
CB 3
Neighborhood 3
RB 3.3

EXHIBIT C

MEMORANDUM OF GROUND LEASE

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196349
LIBER 28868 PAGE 527
$34.00 MISC RECORDING
$4.00 REMONUMENTATION
04/21/2003 11:57:05 A.M. RECEIPT# 32998
PAID RECORDED - OAKLAND COUNTY
G.WILLIAM CADDELL, CLERK/REGISTER OF DEEDS

THIS INSTRUMENT WAS PREPARED BY
AND SHOULD BE RETURNED TO:

Patrick K. Rinka, Esquire
Lowndes, Drosdick, Doster, Kantor & Reed, P.A.
215 North Eola Drive
Post Office Box 2809
Orlando, FL 32802-2809
(407) 843-4600

FOR RECORDING DEPARTMENT USE ONLY

MEMORANDUM OF GROUND LEASE

THIS MEMORANDUM OF GROUND LEASE is made and entered into as of February 28, 2003, by and between **CNL RETIREMENT ER2, LP**, a Delaware limited partnership (hereinafter referred to as "Landlord"), and **NOVI CAMPUS, LLC**, a Maryland limited liability company (hereinafter referred to as "Tenant").

WITNESSETH:

WHEREAS, Landlord and Tenant have entered into a certain Ground Lease Agreement (hereinafter referred to as the "Lease") of even date herewith; and

WHEREAS, Landlord and Tenant desire to enter into this Memorandum of Ground Lease to set forth certain terms and conditions of the Lease.

NOW, THEREFORE, for and in consideration of the sum of ONE AND NO/100 DOLLARS ($1.00) in hand paid by Landlord and Tenant, each to the other, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant, intending to be legally bound, hereby set forth the following information with respect to the Lease:

1. Premises. The premises consist of certain premises located in Novi, Oakland County, Michigan, more particularly and legally described on **Exhibit A** attached hereto and by reference thereto incorporated herein (hereinafter referred to as the "Premises").

2. Landlord. The name and address of Landlord are as follows:

CNL Retirement ER2, LP
CNL Center at City Commons
450 South Orange Avenue
Orlando, Florida 32801
Attention: Chief Operating Officer

O.K. - AW

914091/94042/615643

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3. Tenant. The name and address of Tenant are as follows:

Novi Campus, LLC
701 Maiden Choice Lane
Catonsville, Maryland 21228
Attention: Mr. Jeffrey A. Jacobson

4. Date of Lease. The Lease is dated as of February 28, 2003.

5. Commencement Date. The Commencement Date and Effective Date of the Lease is as of the date hereof, or any later date upon which Landlord has acquired fee simple title to the Premises.

a. Term. The initial term of the Lease, unless sooner terminated pursuant to the terms of the Lease, shall be for a period of ten (10) years beginning on the Commencement Date and terminating and expiring at 11:59 p.m. on the 27th day of February, 2013. In addition, Tenant has the right to extend the Lease for up to two (2) additional periods of five (5) years each.

6. Notice Prohibiting Construction or Mechanics Liens. Landlord desires to protect itself and its interest in the Premises and all portions thereof and improvements thereon against the filing of mechanic's liens. Accordingly, Landlord hereby provides notice that all leases (including the Lease) entered into for the rental of premises located within or upon the Premises contain the following language:

> Landlord's interest in the Premises shall not be subjected to liens of any nature by reason of Tenant's construction, alteration, renovation, repair, restoration, or reconstruction of the Improvements or any improvements on or in the Premises, or by reason of any other act or omission of Tenant (or of any person claiming by, through or under Tenant) including, but not limited to, construction, mechanics' and materialmen's liens. All persons dealing with Tenant are hereby placed on notice that such persons shall not look to Landlord or to Landlord's credit or assets (including Landlord's interest in the Premises) for payment or satisfaction of any obligations incurred in connection with the construction, alteration, renovation, repair, restoration, replacement or reconstruction thereof by or on behalf of Tenant. Tenant has no power, right or authority to subject Landlord's interest in the Premises to any mechanic's or materialmen's lien or claim of lien.

7. Tenant's Right of First Offer. Landlord and Tenant hereby provide notice that Landlord has granted, and does hereby grant, to Tenant a right of first offer to purchase the Premises in the event of a proposed sale thereof by Landlord, upon certain terms and conditions as more particularly set forth in the Lease.

8. Tenant's Option to Purchase. Landlord and Tenant hereby provide notice that Landlord has granted, and does hereby grant, to Tenant an option to purchase the Premises upon certain terms and conditions as more particularly set forth in the Lease.

9. Purpose and Effect. This Memorandum of Ground Lease is made and executed by the parties hereto for the purpose of recording the same in the Public Records of Oakland County, Michigan, and is subject in each and every respect, to the rents and other terms, covenants and conditions of the Lease, bearing even date herewith, between the parties hereto and this Memorandum of Ground Lease is executed and delivered with the understanding and agreement that the same shall not in any manner or form whatsoever, alter, modify or vary the rents and other terms, covenants and conditions of the Lease bearing even date herewith between the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed under seal as of the day and year first above written.

Signed, sealed and delivered in the presence of the following witnesses:

Patrick K. Rinka
Signature of Witness
PATRICK K. RINKA
Printed Name of Witness

Theresa R Bagwell
Signature of Witness
Theresa R Bagwell
Printed Name of Witness

LANDLORD:

CNL RETIREMENT ER2, LP, a Delaware limited partnership

By: CNL Retirement ER1 GP, LLC, a Delaware limited liability company.
Its: General Partner

By: Bradley B. Rush
Bradley B. Rush, Senior Vice President

STATE OF FLORIDA

COUNTY OF ORANGE

The foregoing Memorandum of Ground Lease was acknowledged before me this 25th day of February, 2003, by Bradley B. Rush, as Senior Vice President of CNL Retirement ER2 GP, LLC, a Delaware limited partnership, the General Partner of **CNL RETIREMENT ER2, LP**, a Delaware limited partnership, on behalf of said limited liability company and partnership. He is personally known to me.

Christina D. Redman

(NOTARY SEAL)

Printed Name: _____
Notary Public, State of _____
Commission #: _____
My commission expires: _____

Christina D. Redman
MY COMMISSION # DD002353 EXPIRES
April 15, 2005
BONDED THRU TROY FAIN INSURANCE, INC

914091/94042/615643

Bank Of America - CD#13 - Control ID#1133

Signed, sealed and delivered in the presence of the following witnesses:

Dawn E. Hughes
Signature of Witness
Dawn E. Hughes
Printed Name of Witness

Amy Bauer
Signature of Witness
Amy Bauer
Printed Name of Witness

TENANT:

NOVI CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, a Maryland limited liability company.
Its: Sole Member/Authorized Agent

By: _____
Jeffrey A. Jacobson, Managing Director

STATE OF Maryland
COUNTY OF Baltimore

The foregoing Memorandum of Ground Lease was acknowledged before me this 28 day of February, 2003, by Jeffrey A. Jacobson, the Managing Director of Erickson Retirement Communities, LLC, a Maryland limited liability company, the Sole Member and Authorized Agent of **NOVI CAMPUS, LLC**, a Maryland limited liability company, on behalf of said limited liability companies. He is personally known to me or produced _____ as identification.

(NOTARY SEAL)

Jane K. Marshall
Notary Public Signature

(Name typed, printed or stamped)
Notary Public, State of _____
Commission No.: _____
My Commission Expires: _____

Jane K. Marshall
NOTARY PUBLIC
Baltimore [illegible] Maryland
My Commission Expires 6/13/04

914091/94042/615643

Exhibit A to Memorandum of Ground Lease

Legal Description of Premises

Bank Of America - CD#13 - Control ID#1133

EXHIBIT "A"

DESCRIPTION OF REAL ESTATE

Parcel Identification No. 22-01-300-013

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3:

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as:

Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds, West, 100.00 feet to the point of ending.

PARCEL 4:

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20

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seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

The combined Parcels 1, 2, 3 and 4 are more particularly described as:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Commencing at the Southwest corner of Section 1, Town 1 North, Range 8 East; thence along the West line of Section 1; North 03 degrees 28 minutes 39 seconds West 60.01 feet to the point of beginning; thence continuing along the West line of Section 1, North 03 degrees 28 minutes 39 seconds West 2590.40 feet to the West 1/4 corner of Section 1, Town 1 North, Range 8 East; thence along the West line of Section 1 and along the boundary of "The Maples of Novi, Maple Hills", Oakland County Condominium Plat No. 627, North 02 degrees 28 minutes 35 seconds West 649.69 feet; thence continuing along the boundary of "The Maples of Novi, Maple Hills" the following two (2) courses; one (1) North 87 degrees 21 minutes 41 seconds East 682.69 feet and two (2) North 03 degrees 11 minutes 10 seconds West 2.24 feet; thence along the south boundary of "Haverhill Farms", Oakland County Condominium Plat No. 912, North 87 degrees 19 minutes 27 seconds East 693.69 feet; thence South 03 degrees 16 minutes 01 second East 3236.69 feet to a point 70.00 feet North of the South line of Section 1, thence along the north line of Thirteen Mile Road the following five (5) courses: one (1) South 87 degrees 31 minutes 40 seconds West 25.33 feet, two (2) South 02 degrees 28 minutes 20 seconds East 15.00 feet, three (3) South 87 degrees 31 minutes 40 seconds West 300.00 feet, four (4) North 02 degrees 28 minutes 20 seconds West 5.00 feet, and five (5) South 87 degrees 31 minutes 40 seconds West 1050.40 feet to the point of beginning.

Commonly known as: 41100 and 41060 Thirteen Mile Road

Bank Of America - CD#13 - Control ID#1133

EXHIBIT "A"

DESCRIPTION OF REAL ESTATE

Parcel Identification No. 22-01-300-013

Situated in the City of Novi, Oakland County, Michigan. described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3:

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as:

Beginning at a point distant East 280.00 feet from Southwest corner thereof: thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds, West, 100.00 feet to the point of ending.

PARCEL 4:

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20

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Commonly known as: 41100 and 41060 Thirteen Mile Road

CERTIFICATE OF COPY OF RECORD
STATE OF MICHIGAN
COUNTY OF OAKLAND

I, Ruth Johnson, Register of Deeds for Oakland County, certify that I have compared the attached copy with the original record on file, and it is a true and correct transcript of the original record in Liber 28608 Page(s) 527 - 535
in testimony whereof, I have set my hand and affixed the seal of REGISTER OF DEEDS on 9-21-09.

By: Carolyne A Barnhart
DEPUTY CLERK Carolyne A. Barnhart

Per PA #53, effective 9-6-07

ASSIGNMENT OF LICENSES, PERMITS, PLANS, CONTRACTS AND WARRANTIES

THIS ASSIGNMENT OF LICENSES, PERMITS, PLANS, CONTRACTS AND WARRANTIES (this "Assignment") is made and entered into as of the 28th day of February, 2003, by **NOVI CAMPUS, LLC**, a Maryland limited liability company, having a mailing address at 701 Maiden Choice Lane, Catonsville, MD 21228 ("Assignor"), in favor of **CNL RETIREMENT ER2, LP**, a Delaware limited partnership, having a mailing address at CNL Center at City Commons, 450 South Orange Avenue, Orlando, Florida 32801 ("Assignee");

WITNESSETH:

WHEREAS, Assignor has this day conveyed to Assignee certain real property located in Novi, Oakland County, Michigan, and more particularly described on **Exhibit A** attached hereto and made a part hereof (the "Land"); and

WHEREAS, in conjunction with the conveyance of the Land, Assignor has agreed to assign all of its right, title and interest in and to certain licenses, permits, plans, contracts and warranties relating to the design, development, construction, ownership, operation, management and use of the Land and the improvements located thereon (together, the "Real Property").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties agree as follows:

1. Assignment. Assignor does, to the extent permitted by law, hereby transfer, assign and set over to Assignee to the extent assignable all of Assignor's right, title and interest in and to (i) all general intangibles relating to the design, development, construction, ownership, operation, management and use of the Real Property, (ii) all certificates of occupancy, zoning variances, licenses, building, use or other permits, approvals, authorizations and consents obtained from and all materials prepared for filing or filed with any governmental agency in connection with the design, development, construction, ownership, operation, management and use of the Real Property, (iii) all architectural drawings, plans, specifications, soil tests, feasibility studies, appraisals, engineering reports and similar materials relating to the Real Property, and (iv) all contract rights (including without limitation rights to indemnification), payment and performance bonds or warranties or guaranties relating to the Real Property, RESERVING UNTO ASSIGNOR, however, any right, title or interest in and to any of the foregoing which may be necessary or advisable in connection with Assignor's continued use and operation of its business at the Real Property as tenant under a Ground Lease (the "Ground Lease") between Assignee, as landlord, and Assignor, as tenant, dated on or about the date hereof (the items described in this Section 1 being hereinafter referred to as the "Licenses, Permits, Plans, Contracts and Warranties"); RESERVING, also unto Assignor the right to enforce the same during the term of the Ground Lease.

2. Limitation of Assignment. Assignee hereby acknowledges that Assignor has previously assigned to Mercantile – Safe Deposit and Trust Company, a Maryland corporation ("Mercantile"), certain interests of Assignor in and to the Licenses, Permits, Plans, Contracts and

Warranties pursuant to the terms and conditions of that Certain Construction Loan Agreement by and between Assignor and Mercantile dated February 12, 2002. Accordingly, notwithstanding anything contained herein to the contrary, the interests and rights of Assignee pursuant to this Assignment are subordinate to those of Mercantile, subject however, in all respects to the terms, covenants and limitations as set forth in that certain Ground Lessor Tri-Party Agreement dated as of February 28, 2003 by and among Mercantile, Assignor and CNL Retirement Partners, LP, a Delaware limited partnership (the "Tri-Party Agreement"), which Tri-Party Agreement is incorporated herein to the same extent as if fully set forth herein.

3. Representations and Warranties of Assignor. Assignor represents and warrants to Assignee that (i) the Licenses, Permits, Plans, Contracts and Warranties are in full force and effect, (ii) Assignor has duly and punctually performed or caused to be performed all and singular the terms, covenants and conditions of the Licenses, Permits, Plans, Contracts and Warranties to be performed by or on behalf of Assignor, (iii) Assignor has not received any notice of default, nor is Assignor aware of any default (or facts which, with the passage of time would result in a default) under any of the Licenses, Permits, Plans, Contracts and Warranties, (iv) Assignor has not received any notice of non-renewal or revocation of any of the Licenses, Permits, Plans, Contracts and Warranties and (v) except as contemplated by encumbrances and agreements permitted under the Ground Lease, Assignor has not sold, assigned, transferred, mortgaged or pledged its right, title and interest in any of the Licenses, Permits, Plans, Contracts and Warranties.

4. Further Assurances. Assignor covenants with Assignee that it will execute or procure any additional documents necessary to establish the rights of Assignee hereunder and shall, at the cost of Assignee, take such action as Assignee shall reasonably request to enforce any rights under any of the Licenses, Permits, Plans, Contracts and Warranties that are, by their terms, not assignable to Assignee.

5. Binding Effect. This Assignment shall be binding upon and inure to the benefit of Assignor, Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor has executed this Assignment as of the date set forth above.

Signed, sealed and delivered in the presence of the following witnesses:

Dawn E. Hughes
Signature of Witness

Dawn E. Hughes
Printed Name of Witness

Mari Shoebotham
Signature of Witness

Mari Shoebotham
Printed Name of Witness

NOVI CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, a Maryland limited liability company.
Its: Sole Member/Authorized Agent

By: _____
Jeffrey A. Jacobson, Managing Director

Bank Of America - CD#13 - Control ID#1133

EXHIBIT "A"

DESCRIPTION OF REAL ESTATE

Parcel Identification No. 22-01-300-013

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Commonly known as: 41100 and 41060 Thirteen Mile Road

LIMITED GUARANTY AND INDEMNITY AGREEMENT

FOR VALUE RECEIVED, and in consideration for, and as an inducement to **CNL RETIREMENT ER2, LP**, a Delaware limited partnership, as "Landlord," to enter into a certain Ground Lease Agreement effectively dated on or about the date hereof with **NOVI CAMPUS, LLC**, a Maryland limited liability company, as "Tenant," with respect to lands located in the Novi, Oakland County, Michigan (the "Property") upon which a continuing care retirement community known as "Fox Run Village" is being developed (the "Lease," which is incorporated herein by reference), **ERICKSON RETIREMENT COMMUNITIES, LLC**, a Maryland limited liability company, as "Guarantor," unconditionally and absolutely (a) indemnifies and holds Landlord, its officers, directors, shareholders, employees, agents, attorneys, successors and assigns and each of them, jointly and severally, harmless from and against any loss, cost, liability, damage, claim or expense, including attorneys' fees, suffered or incurred by Landlord at any time, arising under or on account of any of the following, and (b) guarantees to Landlord payment and performance of each of the same (collectively, the "Guaranteed Obligations"):

(a) Fraud, willful misconduct, or material misrepresentation made by Tenant or Guarantor or their affiliates in or in connection with (i) the Real Estate Purchase and Sale Contract between Tenant and Landlord dated as of February 28, 2003, (ii) the Lease, or (iii) this Limited Guaranty and Indemnity Agreement ("Guaranty"), (iv) the Third Party Documents (this and other capitalized terms not specifically defined herein shall, unless the context otherwise requires, have the meaning ascribed to such terms in the Lease), or (v) any other documents executed by Tenant or Guarantor in connection therewith.

(b) The failure by Tenant to pay or cause to be paid from available funds taxes affecting the Property which accrue prior to Landlord taking control of the Property or to pay assessments or other governmental impositions, charges for labor, materials or other charges which may create liens on any portion of the Property.

(c) The misapplication or misappropriation of (i) proceeds of insurance covering any portion of the Property; (ii) proceeds of the sale, condemnation or transfer in lieu of condemnation of any portion of the Property; or (iii) rentals or other income relating to the Property received by or on behalf of Tenant or Guarantor for any period for which there are unpaid amounts due and payable pursuant to the Lease.

(d) Tenant's causing or permitting waste to occur in, on or about the Property or failing to maintain or causing to be maintained the Property and Improvements, except for ordinary wear and tear.

(e) Any failure of Tenant, but only to the extent that the Tenant can control the distribution or disposition of such amounts or sums, to transfer to Landlord upon any termination of the Lease any unearned advance rentals and refundable deposits that have

(j) Any and all costs incurred in order to cause the Property to comply with any applicable Accessibility Laws (as defined in the Lease) and (ii) any indemnity or other agreement to hold Landlord harmless from and against any and all losses, liabilities, damages, injuries, costs or expenses of any kind arising as a result of non-compliance with any applicable Accessibility Laws; provided, however, Guarantor shall not be liable for compliance with any Accessibility Laws that first become effective, or for any violation of any applicable Accessibility Laws resulting from alterations or improvements to the Property that are performed subsequent to Landlord's acquisition of the Property by a termination of the Lease and eviction of the Tenant, or subsequent to any transfer of Tenant's interest under the Lease to an unrelated party approved in writing by Landlord pursuant to the provisions of the Lease; provided that such transferee assumes in writing all obligations of Tenant pertaining to Accessibility Laws pursuant to the Lease. The burden of proof under this subsection with regard to establishing the date upon which such non-compliance with any Accessibility Laws occurred at the Property shall be upon Guarantor.

(k) Any failure by Tenant to pay in full Rent due under the Lease or to pay any other sum or amount due to Landlord under the Lease. Notwithstanding the foregoing to the contrary, commencing on the date that a final certificate of occupancy has been issued by the City of Novi, Michigan for phase 1 of the Fox Run Village continuing care retirement community, Guarantor's liability under this subsection shall be limited, for each period during which all Rent and other sums are not otherwise paid in full to Landlord by Tenant, to the amount of management fees and development fees which are paid or are payable to Guarantor under the Management and Marketing Agreement and the Development Agreement during such period for which Rent or such other sums have not been paid.

(l) Guarantor shall comply with all material terms and provisions of the Management and Marketing Agreement, as the manager thereunder, shall not enter into any modifications or amendments of the Management and Marketing Agreement, nor, except as otherwise expressly set forth in the Lease, terminate the same prior to the expiration thereof, without Landlord's prior written consent. Guarantor shall not enter into any extension or replacement of the Management and Marketing Agreement or elect not to extend the term of the Management and Marketing Agreement without Landlord's prior written consent. Guarantor shall promptly deliver to Landlord copies of all notices provided by Guarantor or the Facility Tenant under the terms of the Management and Marketing Agreement concerning notices of default, notices of changes or modifications to the Leased Property and the like.

The obligations in subsections (a) through (m), except as specifically provided otherwise therein, shall survive the termination or expiration of the Lease. Landlord's rights under this Limited Guaranty and Indemnity Agreement (this "Guaranty") are in addition to all rights of Landlord under the Lease, and payments by Guarantor under this Guaranty shall not reduce the obligations and liabilities of Tenant under the Lease; provided, however, this shall not be construed to permit

Landlord to collect from Tenant for the same obligations or liabilities for which Landlord has already received payment from Guarantor.

The Lease and this Guaranty, and the obligations of Guarantor and Tenant hereunder and thereunder, are secured by a pledge of the Guarantor's membership interests in Tenant pursuant to the Pledge Agreement, the terms and conditions of which are hereby incorporated herein by this reference.

The validity of this Guaranty and the obligations of the Guarantor shall not be terminated, affected, or impaired by reason of (i) any forbearance, releases, settlements or compromises between Landlord and Tenant or any other guarantor, by reason of any waiver of or failure to enforce any of the rights and remedies reserved to Landlord in the Lease or otherwise; (ii) the invalidity, illegality or unenforceability of the Lease for any reason whatsoever; (iii) the relief or release of Tenant or any other guarantor from any of their obligations under the Lease by operation of law or otherwise, including, without limitation, the insolvency, bankruptcy, liquidation or dissolution of Tenant or any other guarantor or the rejection of or assignment of the Lease in connection with proceedings under the bankruptcy laws now in effect or hereafter enacted (other than any written release of Tenant or any release of Tenant pursuant to the express terms of the Lease in connection with a permitted assignment thereunder as provided hereinbelow); or (iv) any other act or omission of Landlord or Tenant which would otherwise constitute or create a legal or equitable defense in favor of Guarantor except to the extent that the same constitutes a defense to enforcement of the Lease against the Tenant thereunder.

Guarantor represents and warrants that it is the sole member of Tenant, and, therefore, has a material economic interest in Tenant and that the execution of this Lease will be of direct benefit to it, whether or not it shall ever occupy any portion of the Premises (as defined in the Lease). This Guaranty will remain in full force and effect as to any renewal, modification, amendment, or extension of the Lease, any assignment or transfer by Landlord, any assignment, transfer or subletting by Tenant, any change in the status, composition, structure or name of Tenant or Guarantor, or any holdover by Tenant under the Lease, and as to any assignee of Tenant's interest under the Lease.

If Guarantor, directly or indirectly, advances any sums to Tenant, such sums and indebtedness will be subordinate in all respects to the amounts then and thereafter due and owing by Tenant under the Lease. Payment by Guarantor of any amount pursuant to this Guaranty shall not in any way entitle Guarantor to any right, title or interest (whether by way of subrogation or otherwise) in and to any of the rights or remedies Landlord may have against Tenant, unless and until all of the obligations then payable or performable by Tenant under the Lease have been performed, including particularly, but without limitation, payment of the full amount then due and owing to Landlord under the Lease and this Guaranty.

Wherever reference is made to the liability, obligations or covenants of Tenant in the Lease, such reference is deemed likewise to refer to Guarantor, jointly and severally, with Tenant. The liability of Guarantor for the Guaranteed Obligations shall be primary; in any rights of action which accrues to Landlord under the Lease, Landlord may proceed against Guarantor

and/or Tenant, jointly or severally, and may proceed against Guarantor without having demanded performance of, commenced any action against, exhausted any remedy against, or obtained any judgment against Tenant. This is a guaranty of payment and not of collection, and Guarantor waives any obligation on the part of Landlord to enforce the terms of the Lease against Tenant as a condition to Landlord's right to proceed against Guarantor.

Guarantor expressly waives: (i) notice of acceptance of this Guaranty and of presentment, demand and protest; (ii) notice of any default hereunder or under the Lease (other than notices and copies thereof to the parties specified in and as expressly required by the Lease) and of all indulgences; (iii) demand for observance, performances or enforcement of any terms for provisions of this Guaranty or the Lease; and (iv) all other notices and demands otherwise required by law which Guarantor may lawfully waive. Guarantor agrees that if this Guaranty is enforced by suit or otherwise, Guarantor shall reimburse Landlord, upon demand, for all expenses incurred in connection therewith, including, without limitation, reasonable attorneys' fees.

Guarantor agrees that in the event that Tenant shall become insolvent or shall be adjudicated a bankrupt, or shall file a petition for reorganization, arrangement or other relief under any present or further provision of the Bankruptcy Reform Act of 1978, or if such a petition be filed by creditors of said Tenant, or if Tenant shall seek a judicial readjustment of the rights of its creditors under any present or future Federal or State law or if a receiver of all or part of its property and assets is appointed by any State or Federal court, no such proceeding or action taken therein shall modify, diminish or in any way affect the liability of Guarantor under this Guaranty and the liability of Guarantor with respect to the Lease shall be of the same scope as if Guarantor itself executed the Lease as the named lessee thereunder and no "rejection" and/or "termination" of the Lease in any of the proceedings referred to in this paragraph shall be effective to release and/or terminate the continuing liability of Guarantor to Lessor under this Guaranty with respect to the Lease for the remainder of the Lease term stated therein unaffected by any such "rejection" and/or "termination" in said proceedings.

Guarantor further agrees that, to the extent Tenant or Guarantor makes a payment or payments to Landlord under the Lease or this Guaranty, which payment or payments or any part thereof are substantially invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to the Tenant or Guarantor or their respective estate, trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then to the extent of such payment or repayment, this Guaranty and the advances or part thereof which have been paid, reduced or satisfied by such amount shall be reinstated and continued in full force and effect as of the date such initial payment, reduction or satisfaction occurred.

Guarantor hereby waives, to the maximum extent permitted by law, all defenses available to a surety, whether or not the waiver is specifically enumerated in this Guaranty.

All of the terms and provisions of this Guaranty shall inure to the benefit of the successors and assigns of Landlord and are binding upon the respective successors and assigns of Guarantor.

MEMBERSHIP INTEREST PLEDGE AGREEMENT

This MEMBERSHIP INTEREST PLEDGE AGREEMENT (the "Agreement") is made and entered into as of February 28, 2003, (the "Effective Date") by ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company (the "Pledgor"), in favor of CNL RETIREMENT ER2, LP, a Delaware limited partnership (the "Pledgee").

RECITALS

WHEREAS, Pledgee acquired that certain real property commonly known as "Fox Run Village" in Novi, Oakland County, Michigan, pursuant to and as more particularly described in that certain Deed from Novi Campus, LLC, a Maryland limited liability company ("Novi"), to Pledgee of even date herewith (the "Deed") (as used herein, the term "Property" shall have the meaning ascribed thereto in the Deed); and

WHEREAS, subject to and upon the terms and conditions set forth in this Agreement and the Ground Lease Agreement (the "Lease"), between Pledgee and Novi (hereinafter referred to as the "Tenant"), Pledgee has agreed to lease to Tenant, and Tenant has agreed to lease from Pledgee, the Leased Property, as defined in the Lease; and

WHEREAS, Pledgor has partially guaranteed Tenant's performance under the Lease pursuant to that certain Limited Guaranty and Indemnity Agreement of even date herewith from Pledgor in favor of Pledgee (the "Guaranty"); and

WHEREAS, Pledgor is the sole member of and is the sole owner of one hundred percent (100%) of the equity interests of the Tenant; and

WHEREAS, as a condition precedent to Pledgee leasing the Leased Property, Pledgor has agreed to pledge and grant to Pledgee a security interest in the entire limited liability company interest of Pledgor in Tenant (the "LLC Interest"), effective upon the execution and delivery by Tenant of the Lease, in order to secure Tenant's performance under the Lease and Pledgor's performance under the Guaranty.

AGREEMENTS

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. Defined Terms. Any capitalized term not otherwise defined herein shall have the meaning given to such term in the Lease.

2. Pledge. As security for (i) Tenant's full, prompt and complete payment of Rent, and all other amounts required to be paid by Tenant under the Lease when due, (ii) the full, prompt and complete performance of all other obligations of Tenant under the Lease when due, and (iii) Pledgor's full, prompt and complete performance of all of its obligations under the Guaranty ((i) (ii) and (iii) are hereinafter collectively referred to as the "Obligations"), the

Pledgor hereby pledges and assigns to Pledgee the LLC Interest and hereby grants to Pledgee a security interest in and to the LLC Interest, including without limitation, all of Pledgor's capital accounts in and interest in the income, profits, gains and losses of Tenant and of Pledgor's right to receive distributions and the return of capital contributions from Tenant (collectively, the "Collateral"); provided however, that the Collateral shall not include cash payments, distributions or return of capital contributions or other payments by Tenant paid on, or in respect of, the LLC Interest ("Distributions") so long as, at the time such payment is made, (v) neither Tenant nor Pledgor is in default under any of the Third Party Documents, (w) Tenant is not in continuing default under the Lease dealing with the payment of Rent, (x) no other event which with the giving of notice or passage of time would constitute an Event of Default under the Lease dealing with matters other than the payment of Rent shall have occurred and is continuing as to which Pledgee has not waived such Event of Default, (y) no claim for payment or performance has been made by Pledgee against Pledgor under the Guaranty based on matters other than Events of Default arising under the Lease, and (z) Pledgor has established in favor of Pledgee, as security for the payment of the Option Purchase Price under the Lease, a letter of credit or other assurance or financial security, in a form reasonably approved in writing by Pledgee, assuring Pledgee that the net amount of all Distributions (net of amounts which are re-contributed by Pledgor to Tenant in order to pay bona fide obligations of Tenant under the Third Party Documents) will be available to apply toward payment of the Option Purchase Price if and when it becomes due and payable. Tenant may only make, and Pledgor may only receive, Distributions which are made in accordance with the foregoing conditions and limitations on making Distribution free and clear of the lien and operation of this Agreement.

3. Financing Statement. Simultaneously with execution hereof, Pledgor authorizes Pledgee to file a UCC-1 Financing Statement with the State of Maryland (the "Financing Statement") evidencing the security interest granted by Pledgor to Pledgee in the Collateral. The Pledgor agrees that, at any time and from time to time, Pledgor will promptly execute and deliver all further instruments and documents, and take all further action, that may be reasonably necessary or desirable, or that the Pledgee may reasonably request, in order to perfect and protect any security interest granted hereby or to enable the Pledgee to exercise and enforce its rights and remedies hereunder with respect to the LLC Interest or other Collateral.

4. Limitation of Pledge and Assignment. Pledgee hereby acknowledges that Pledgor has previously granted to Mercantile – Safe Deposit and Trust Company, a Maryland corporation ("Mercantile"), a security interest in and to the LLC Interest pursuant to that certain Member Interest Pledge Agreement from Pledgor to Mercantile dated February 12, 2002 (the "Mercantile Pledge"). Accordingly, notwithstanding anything contained herein to the contrary, the interests and rights of Pledgee pursuant to this Agreement are subordinate to the rights of Mercantile therein, subject in all respects to the terms, covenants and limitations as set forth in that certain Ground Lessor Tri-Party Agreement dated as of February 28, 2003 by and among Mercantile, Pledgee and CNL Retirement Partners, LP, a Delaware limited partnership (the "Tri-Party Agreement"), which Tri-Party Agreement is incorporated herein as if fully set forth herein.

5. Remedies, Rights Upon Default.

(a) Upon and after the occurrence of an Event of Default, and subject to the provisions of Section 2 hereof, the Pledgee shall have the rights and remedies with respect to the Collateral provided for in the Uniform Commercial Code in effect in the State of Maryland, including the right to, without demand of performance or other demand, advertisement, or notice of any kind (except such notice as may be specifically required by law and the notice and advertisement requirement specified in subsection 4(c) hereinbelow), to or upon the Pledgor or any other person, forthwith realize upon its security interest in the Collateral or any part thereof, and forthwith sell or otherwise dispose of and deliver the Collateral or any part thereof at public or private sale or sales, at any time or place, at such prices and on such terms (including, but without limitation, a requirement that any purchaser of all or any part of the Collateral purchase the LLC Interest or other interests constituting the Collateral for investment and without any intention to make a distribution thereof) as it may deem best, for cash or on credit, or for future delivery without assumption of any credit risk, with the right of Pledgee or any purchaser to purchase upon any such sale the whole or any part of the Collateral free of any right or equity of redemption in the Pledgor, which right or equity is hereby expressly waived and released to the extent permitted by law.

(b) The proceeds of any such disposition shall be applied as follows:

(i) First, to the costs and expenses incurred in connection therewith or incidental thereto or to the care or safekeeping of any of the Collateral or in any way relating to the exercise or enforcement of the rights of the Pledgee hereunder, including reasonable attorneys' fees and legal expenses incurred in connection therewith;

(ii) Second, to the satisfaction of the Obligations which are then due and payable;

(iii) Third, to the payment of any other amounts required by applicable law; and

(iv) Fourth, to the Pledgor to the extent of any surplus proceeds.

(c) Any notification required by Section 9-611 of the Uniform Commercial Code as in effect in the State of Maryland (the "UCC") shall be deemed reasonably and properly given if given to the Pledgor in accordance with Section 11 hereof, at least ten (10) days before any sale or disposition of any of the Collateral. Any advertisement of the sale or other disposition of such Collateral shall be deemed to be reasonable if such advertisement is placed in a newspaper of general circulation in or about the location of the principal place of business of the Tenant at least once in each of the two (2) calendar weeks immediately preceding the sale.

6. Representations and Warranties. The Pledgor hereby represents, warrants and covenants to the Pledgee as follows:

(a) Pledgor is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Maryland and its address is 701 Maiden Choice Lane, Catonsville, Maryland 21228;

(b) Tenant is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Maryland, and is qualified to do business in the State in which the Leased Property is located;

(c) this Agreement has been duly executed and delivered by the Pledgor and is a valid and binding obligation of the Pledgor enforceable against it in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally;

(d) Pledgor is the sole holder of record and the sole beneficial owner of the LLC Interest free and clear of any liens, warrants, calls, security interests, options, encumbrances or other charges thereon or affecting title thereto, except the Mercantile Pledge and the security interest created by this Agreement and perfected by the filing of the Financing Statement;

(e) Subject to the Mercantile Pledge, Pledgor has full legal power and right to pledge and grant the security interest conveyed hereby in the Collateral and every part thereof; the making of such pledge and the granting of such security interest do not violate the provisions of any law, regulation, contract, agreement, restrictive covenant or legend, order of court, corporate charter or bylaw, stockholders agreement or other instrument binding upon it or any part of the Collateral; and no consent or approval of any governmental body or regulatory authority, or any securities exchange, was or is necessary to the validity or effectiveness thereof;

(f) the LLC Interest has been duly authorized, validly issued and is fully paid and nonassessable;

(g) all corporate actions or other actions or consents necessary to authorize and effectuate the terms of this Agreement on behalf of Pledgor have been taken or obtained;

(h) Pledgor will not (i) suffer or permit any amendment or modification of the articles of organization or operating agreement of the Tenant without the prior written consent of Pledgee (which consent may not be unreasonably withheld, conditioned or delayed) as and when such consent is required pursuant to the operating agreement of the Tenant; (ii) without the prior written consent of Pledgee, assign its rights to control Tenant or permit any other person to control Tenant; or (iii) waive, release or compromise any rights or claims that Pledgor may have against any other party which arise under the articles of organization or operating agreement of the Tenant;

(i) The LLC Interest is not an interest which is dealt in or traded on securities exchanges or in securities markets, the terms of Tenant's operating agreement do not expressly provide that it is a security governed by Article 8 of the UCC, nor is the Tenant registered as an investment company under the federal investment company laws, and the LLC interest is not held in a securities account and is not certificated. Pledgor, so long as this Agreement is in effect, will not certificate the LLC Interests.

7. Preservation of Collateral. The Pledgor will pay promptly when due all taxes, assessments and governmental charges and levies upon or against the Collateral, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith by appropriate proceedings. The Pledgee may, at its option, make any payments or take any other action it may reasonably deem necessary or desirable to cure any default by Pledgor pursuant to the terms of this Agreement, to remove or discharge any liens, attachments or levies against or upon the Collateral, whether voluntary or involuntary, or otherwise to conserve, protect or further perfect its interest in the Collateral. The Pledgor shall, promptly upon demand, reimburse the Pledgee for all such advances or expenses incurred by the Pledgee.

8. No Further Transfer or Encumbrances. Except as permitted by the express terms of the Lease, and other than the Mercantile Pledge and the liens on and security interests in the Collateral created hereby, the Pledgor hereby covenants and agrees that it shall not sell, convey or otherwise dispose of any of the Collateral, nor create, incur or permit to exist any pledge, mortgage, lien, charge, encumbrance or any security interest whatsoever with respect to any of the Collateral or the proceeds thereof. The Pledgor further covenants and agrees that it shall not consent to or approve the issuance of any additional limited liability company interests in Tenant or the merger of Tenant with any other entity, except (i) where the issuance is not prohibited by the express terms of Lease and where the issued interests or entrusts in the entity surviving the merger, is subject to the lien created under this Agreement, and (ii) any issuance of limited liability company interest in Tenant to a non-equity member as provided in Tenant's Limited Liability Company Operating Agreement. Without in any way limiting the foregoing, unless and until Tenant exercises the Purchase Option set forth in the Lease and pays Pledgee all amounts due in connection therewith, Pledgee may not elect to or voluntarily sell or in any manner convey the LLC Interest.

9. Voting Rights. Notwithstanding anything herein to the contrary, unless and until an Event of Default occurs and is continuing, and the Pledgee forecloses upon the Collateral in accordance with this Agreement, the Pledgor shall have the right to exercise its voting and other rights with respect to the LLC Interest and Pledgor shall have the right to receive cash payments, distributions or return of capital contributions in respect of the LLC Interest, but only under and subject to the terms, conditions and limitations applicable to Distributions as set forth in Section 2 above. Notwithstanding the foregoing sentence, upon the occurrence and during the continuation of (i) an Event of Default under the Lease dealing with the payment of Rent, (ii) an Event of Default under the Lease dealing with any matter other than the payment of Rent, for which Pledgee has given notice to Pledgor and Pledgee has not waived such Event of Default, or (iii) a claim by the Pledgee under the Guaranty based on matters other than Events of Default under the Lease, the Pledgee shall be entitled to exercise any and all rights of conversion, exchange or subscription or any other similar rights, privileges or options pertaining to the Collateral as if it were the absolute owner thereof, including, without limitation, the right to exchange, at its discretion, any and all of the Collateral upon the merger, consolidation, reorganization, recapitalization or other readjustment of the Tenant or, upon the exercise of any such right, privilege or option pertaining to the Collateral, and in connection therewith, to deposit and deliver any and all of the Collateral with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Pledgee may determine.

10. Duty of Pledgee. The Pledgee may take any action set forth in this Agreement without liability to the Pledgor (except for Pledgee's own gross negligence or willful misconduct), Tenant or any other person, except to account for property actually received by it, but the Pledgee shall have no duty to exercise any of such rights, privileges or options and shall not be responsible for any failure to do so or delay in so doing. The Pledgee's only duty with respect to the Collateral shall be to exercise reasonable care to assure the safe custody of the Collateral, and the Pledgee shall be relieved of all responsibility for the Collateral upon delivery or proffer of delivery of the Collateral to the Pledgor.

11. Costs. The Pledgor shall pay on demand all costs and expenses (including reasonable attorney's fee) incurred by and on behalf of the Pledgee incident to any collection, servicing, sale, disposition or other action taken by the Pledgee with respect to the Collateral or any portion thereof following the occurrence and during the continuance of an Event of Default; provided, however, that this Agreement shall in all respects be nonrecourse to Pledgor and Pledgee shall look only to the LLC Interest to satisfy any liability of Pledgor hereunder.

12. Notices.

(a) Any and all notices, demands, consents, approvals, offers, elections and other communications required or permitted under this Agreement shall be deemed adequately given if in writing and the same shall be delivered either in hand, or by mail or Federal Express or similar expedited commercial carrier, addressed to the recipient of the notice, postpaid and registered or certified with return receipt requested (if by mail), or with all freight charges prepaid (if by Federal Express or similar carrier).

(b) All notices required or permitted to be sent hereunder shall be deemed to have been given for all purposes of this Agreement, upon the date of receipt or refusal, except that whenever under this Agreement a notice is either received on a day which is not a business day or is required to be delivered on or before a specific day which is not a business day, the day of receipt or required delivery shall automatically be extended to the next business day.

(c) All such notices shall be addressed:

If to Pledgee:

CNL Retirement ER2, LP
c/o CNL Retirement Corp.
CNL Center at City Commons
450 South Orange Avenue
Orlando, Florida 32801-3336
Attn: Chief Operating Officer
Phone: (407) 835-3201
Fax: (407) 835-3232

With a copy to: Lowndes, Drosdick, Doster, Kantor & Reed, P.A.
215 North Eola Drive
Orlando, Florida 32801
Attn: Patrick K. Rinka, Esq.
Phone: (407) 843-4600
Fax: (407) 843-4444

If to Pledgor: Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Catonsville, Maryland 21228
Attn: General Counsel
Phone: (410) 737-8914
Fax: (410) 737-8828

By notice given as herein provided, the parties hereto and their respective successors and assigns shall have the right from time to time and at any time during the term of this Agreement to change their respective addresses effective upon receipt by the other parties of such notice and each shall have the right to specify as its address any other address within the United States of America.

13. Entire Agreement. Other than as set forth in the Tri-Party Agreement, to which this Agreement is subject, this Agreement contains the full understanding of the Pledgor and the Pledgee in respect of the pledge of the Collateral, and may not be amended or otherwise modified except in a writing duly executed by the Pledgor and the Pledgee. Except for the obligations expressly set forth in this Agreement, Pledgor shall have no obligations under the Lease.

14. Waiver. The failure by either party to insist upon or to enforce any of its rights hereunder shall not constitute a waiver thereof. Any waiver shall be in writing and signed by the party granting the waiver.

15. Exercise of Rights. All rights, remedies and powers of the Pledgee hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all other rights, remedies and powers given hereunder or in or by any other instrument or any law now existing or hereafter made or enacted.

16. Severability. If any term, covenant or condition of this Agreement, or the application thereof to any person, shall be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those to which it is held to be invalid or unenforceable shall not be affected thereby, and each term shall be valid and enforceable to the fullest extent permitted by law.

17. Termination. This Agreement shall terminate ("Termination") upon the earlier to occur of (i) the termination of the Lease and performance in full of the Obligations, or (ii) Pledgor's transfer of its interest in the Tenant or in the Lease pursuant to Article 14 of the Lease.

18. Binding Nature of Agreement. This Agreement shall be binding upon Pledgor and Pledgee and their respective successors and assigns.

19. Construction. When used herein, the singular may also refer to the plural and vice versa; and the use of any gender shall be applicable to all genders. Headings in the Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

20. Governing Laws. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

21. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

Executed and acknowledged by the undersigned as of the day and year first written above.

PLEDGOR:

ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company

By: _____
Jeffrey A. Jacobson,
Managing Director

[SIGNATURES CONTINUE ON NEXT PAGE]

PLEDGEE:

CNL RETIREMENT ER2, LP,
a Delaware limited partnership

By: CNL Retirement ER2 GP, LLC, a Delaware limited liability company
Its: General Partner

By: Bradley B. Rush
Bradley B. Rush, Senior Vice President

Bank Of America - CD#13 - Control ID#1133

LESSOR - DEVELOPER AGREEMENT

THIS LESSOR - DEVELOPER AGREEMENT ("Agreement") is made as of February 28, 2003, by **ERICKSON RETIREMENT COMMUNITIES, LLC**, a Maryland limited liability company ("Developer") whose address is 701 Maiden Choice Lane, Catonsville, Maryland 21228, to and for the benefit of **CNL RETIREMENT ER2, LP**, a Delaware limited liability company, its successors and assigns ("Lessor") whose address is CNL Center at City Commons, 450 South Orange Avenue, Orlando, Florida 32804.

RECITALS

WHEREAS, Lessor is the fee owner of a certain parcel of land located in Novi, Oakland County, Michigan (the "Property"); and

WHEREAS, Lessor has leased the Property to **NOVI CAMPUS, LLC**, a Maryland limited liability company ("Lessee"), pursuant to the terms of a certain Ground Lease dated as of February 28, 2003 (the "Lease"); and

WHEREAS, Developer and Lessee have entered into that certain Fox Run Village Development Agreement dated as of February 12, 2002 (the "Development Agreement"), which calls for the Developer to provide ongoing development-related services in connection with the development of a continuing care retirement community on the Property; and

WHEREAS, Lessor wishes to obtain certain rights with respect to the Development Agreement; and

WHEREAS, Developer wishes to grant certain rights to Lessor with respect to the Development Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Developer hereby agrees as follows:

1. Payment Subordination. Any and all amounts or claims of any kind or description now or hereafter owing to the Developer by the Lessee under the Development Agreement shall be subordinate to any and all amounts or claims of any kind or description now or hereafter owing to the Lessor under the Lease, and the Developer agrees that all claims of the Lessor shall be paid in full before any payment may be made to the Developer under the Development Agreement; provided, however, that so long as no default has occurred and is continuing under the Lease, and except as may be otherwise prohibited in the Lease, the Lessee may (i) make payments when due in accordance with the Development Agreement and (ii) make other payments to the Developer for services rendered in the ordinary course of business, and which are not reflected in Development Agreement, provided such services are rendered at arm's-length charges. Upon the occurrence of any Event of Default under the Lease, the Developer agrees not to bring or take any action to enforce any claim or claims under the Development Agreement or

to apply any security now or hereafter existing or to sue upon or collect or receive payment of, and the Lessee agrees not to pay any such claim or claims to the Developer. All sums received by the Developer following the occurrence of an Event of Default under the Lease, including (x) payments received from Lessee under the Development Agreement, and/or (y) proceeds realized from the Developer's exercise of its remedies under the Developer's Agreement, shall be delivered to the Lessor to be held by the Lessor and applied first to the Lessee's obligations under the Lease; provided that if any sums are delivered to the Lessor prior to the cure of a curable default under the Lease, the Lessor shall return such funds to the party entitled thereto after such default has been cured in accordance with the terms of the Lease and unless another default or Event of Default shall have occurred in the interim.

2. Lien Subordination. The Developer further agrees that the Development Agreement and any liens and security interests created thereby are and shall be subordinate and inferior to the Lease and all interests of the Lessor relating to the Property.

3. Primacy of the Lessor's Claim as Against the Developer. In any insolvency, receivership, bankruptcy, liquidation, or reorganization proceeding, or any other proceeding, whether voluntary or involuntary, by or against the Lessee under any bankruptcy or insolvency law or other laws relating the relief of debtors, the Lessor's claims against the assets of the Lessee shall be paid in full before any payment is made by or on behalf of the Lessee to the Developer. The Developer agrees that the Lessor may collect the Developer's claims directly from any trustee appointed in such proceeding. The Developer agrees to furnish all assignments, powers or other documents requested by the Lessor to facilitate such direct collection by the Lessor.

4. Collection of Claims of the Developer. The Developer agrees to pay over to the Lessor on account of the claim or claims of the Lessor against the Lessee any funds that may be received by the Developer from the Lessee, or for or on behalf of the Lessee, at any time the Developer is not allowed to receive and hold the same under Section 1 of this Agreement. The Developer further agrees not to sell, assign, transfer, or endorse any of its claims under the Development Agreement in the future to anyone without the prior written consent of the Lessor, and not to join in any petition of bankruptcy or any assignment for the benefit of creditors, or any creditors' agreements.

5. Lessor's Assumption of Lessee's Rights. In the event of a termination of Lessee's interest under the Lease or a termination of the Development Agreement, Developer agrees and covenants, at Lessor's request, to allow Lessor to assume Lessee's position under the Development Agreement, either through an assignment and assumption of Lessee's rights under the Development Agreement, or by entering into a new development agreement with Lessor under the exact same terms and conditions as exist in the Development Agreement between Lessee and Developer.

6. Continuance of Agreement. This Agreement, the obligations of the Developer and the Lessee, and the rights and privileges of the Lessor hereunder shall continue until payment

in full of all amounts due under the Lease, or the earlier completion and build out of the entire community as contemplated to be developed by Lessee upon the Property.

7. Subordination of this Agreement. Notwithstanding anything contained herein to the contrary, the interests and rights of Lessor pursuant to this Agreement are subject in all respects to the terms, covenants and limitations as set forth in that certain Ground Lessor Tri-Party Agreement ("Tri-Party Agreement") effectively dated of even date herewith among Mercantile – Safe Deposit and Trust Company, Lessor and CNL Retirement Partners, LP, a Delaware limited partnership ("CNL Partners"), and with the approval and joinder of Lessee, the provisions of which Tri-Party Agreement are incorporated herein by reference to the same extent as if fully set forth herein. In the event of a conflict between the terms of this Agreement and the terms of the Tri-Party Agreement, the terms of the Tri-Party Agreement shall control.

8. Waiver. The Lessor shall have uncontrolled power and discretion, without notice to the Developer, to deal in any manner with any obligation of the Lessee to the Lessor and any security and guarantees therefor, including but not limited to release, surrender, extension, renewal, acceleration, compromise or substitution. The Developer hereby waives and agrees not to assert against the Lessor any rights which a guarantor or surety could exercise, but nothing in this Agreement shall cause the Developer to be deemed a guarantor or surety.

9. Prepayment; Revision of Payment Terms. The Developer shall not accept any prepayment, in whole or in part, of any amounts due to it in connection with the Development Agreement and shall not revise the payment terms under the Development Agreement without the prior written consent of the Lessor.

10. Notice. The Developer agrees to notify the Lessor within ten (10) days after the occurrence of any breach or default under the Development Agreement.

11. Insolvency of Lessee. Any insolvency or bankruptcy of the Lessee shall not affect this Agreement and the same shall remain in full force and effect and shall constitute an assignment by the Developer to the Lessor of any funds or property payable to the Developer from the Lessee's assets not previously assigned to the Lessor.

12. Effect of Agreement. To the extent that any of the provisions contained herein are inconsistent with any provisions of the Development Agreement, the provisions contained in this Agreement shall govern.

13. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Michigan (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the granting, perfection and enforcement of security interest in collateral, the law of the jurisdiction where the collateral is located (or which otherwise applies to security interest in the collateral) shall govern.

14. Counterparts. This document may be executed in counterparts.

IN WITNESS WHEREOF, the Developer and Lessor have duly executed this Lessor – Developer Agreement in manner and form sufficient to bind them as of the day and year first above written.

Signed, sealed and delivered in the presence of the following witnesses:

Dawn E. Hughes
Signature of Witness
Dawn E. Hughes
Printed Name of Witness

Signature of Witness
Printed Name of Witness

"DEVELOPER"

ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company

By: _____
Jeffrey A. Jacobson, Managing Director

STATE OF Maryland
COUNTY OF Baltimore

The foregoing Lessor – Developer Agreement was acknowledged before me this 28th day of February, 2003, by Jeffrey A. Jacobson, Managing Director of **ERICKSON RETIREMENT COMMUNITIES, LLC**, a Maryland limited liability company, on behalf of the limited liability company. He is personally known to me or has produced _____ as identification and did (did not) take an oath.

(NOTARY SEAL)

Jane K Marshall
Notary Public Signature

(Name typed, printed or stamped)
Notary Public, State of _____
Commission No.: _____
My Commission Expires: _____

Jane K. Marshall
NOTARY PUBLIC
Baltimore County, Maryland
My Commission Expires 6/13/04

Signed, sealed and delivered in the presence of the following witnesses:

Patrick K. Rinka
Signature of Witness
PATRICK K. RINKA
Printed Name of Witness

Theresa R Bagwell
Signature of Witness
Theresa R Bagwell
Printed Name of Witness

"LESSOR"

CNL RETIREMENT ER2, LP, a Delaware limited partnership

By: CNL Retirement ER2 GP, LLC, a Delaware limited liability company.
Its: General Partner

By: Bradley B. Rush
Bradley B. Rush, Senior Vice President

STATE OF FLORIDA

COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 25th day of February, 2003, by Bradley B. Rush, as Senior Vice President of and on behalf of CNL Retirement ER2 GP, LLC, a Delaware limited liability company, as General Partner of **CNL RETIREMENT ER2, LP**, a Delaware limited partnership. He is personally known to me or produced _____ as identification and did (did not) take an oath.

(NOTARY SEAL)

Christina D. Redman
MY COMMISSION # DD002353 EXPIRES
April 15, 2005
BONDED THRU TROY FAIN INSURANCE, INC.

Christina D. Redman
Notary Public Signature

(Name typed, printed or stamped)
Notary Public, State of _____
Commission No.: _____
My Commission Expires: _____

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LIBER 28868 PAGE 512
$52.00 MISC RECORDING
$4.00 REMONUMENTATION
04/21/2003 11:57:02 A.M. RECEIPT# 32998
PAID RECORDED - OAKLAND COUNTY
G.WILLIAM CADDELL, CLERK/REGISTER OF DEEDS

THIS INSTRUMENT WAS PREPARED BY
AND SHOULD BE RETURNED TO:

Patrick K. Rinka, Esquire
Lowndes, Drosdick, Doster, Kantor & Reed, P.A.
215 North Eola Drive
Post Office Box 2809
Orlando, FL 32802-2809
(407) 843-4600

FOR RECORDING DEPARTMENT USE ONLY

FOX RUN VILLAGE
NON-DISTURBANCE, RECOGNITION, AND ATTORNMENT AGREEMENT

Among

FOX RUN VILLAGE, INC.,
as Community Tenant

and

NOVI CAMPUS, LLC,
as Ground Tenant

and

CNL RETIREMENT ER2, LP,
as Land Owner

Dated as of February 28th, 2003

O.K. - AW

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Bank Of America - CD#13 - Control ID#1133

FOX RUN VILLAGE NON-DISTURBANCE, RECOGNITION, AND ATTORNMENT AGREEMENT

THIS FOX RUN VILLAGE NON-DISTURBANCE, RECOGNITION, AND ATTORNMENT AGREEMENT (this "Agreement") is made as of February 24th, 2003 by FOX RUN VILLAGE, INC., a Maryland non-profit corporation ("FRVI"), NOVI CAMPUS, LLC, a Maryland limited liability company ("Novi"), and CNL RETIREMENT ER2, LP, a Delaware limited partnership ("CNL").

RECITALS

FRVI is the tenant of certain Premises located and situate in the City of Novi, Oakland County, Michigan (the "Premises") as described in and leased to FRVI under the Fox Run Village Retirement Community Master Lease and Use Agreement dated as of February 12, 2002, between Novi and FRVI, together with any further amendments or modifications thereof and/or supplements thereto from time to time as contemplated therein (the "Community Lease").

FRVI intends to operate the Premises as a continuing care retirement community known and hereinafter referred to as "Fox Run Village," containing continuing care units (including independent living units, assisted living units and nursing units), community centers, pool, chapel and other amenities.

CNL has acquired or is acquiring the fee simple interests of Novi in the lands which are subject to the Community Lease, but not including the improvements thereon (hereinafter called the "Land"), pursuant to a sale leaseback transaction whereby the Land is being leased back to Novi by CNL under a Ground Lease Agreement effectively dated on or about the date hereof (the "Ground Lease"), pursuant to which CNL assigns its right, title and interest in the Community Lease to Novi (together called the "Transaction"). The transaction is subject to the Community Lease.

CNL has agreed to enter into the Transaction on the condition that FRVI consents to and agrees to recognize the Transaction, and agrees to attorn to CNL as its landlord in the event of a breach by Novi under either the Ground Lease or the Community Lease resulting in a termination thereof, and to certain other terms, conditions and rights relating to the Ground Lease as provided hereinbelow.

FRVI is willing to enter into this Non-Disturbance, Recognition, and Attornment Agreement on the terms set forth herein.

Bank Of America - CD#13 - Control ID#1133

AGREEMENTS

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the adequacy and legal sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Continuance of Community Lease after Ground Lease Termination. Novi and FRVI agree that should the Ground Lease terminate due to Novi's default thereunder or for any other reason, the Community Lease shall continue in full force and effect as a direct lease between CNL and FRVI, upon, and subject to, all of the terms, covenants and conditions of the Community Lease for the balance of the term thereof remaining, including any extensions therein provided and the interests of CNL in the property subject to the Community Loan (not including the Land) shall remain subject, on a non-recourse basis, to the lien, effect and obligations evidenced and secured by the Community Loan and the Community Mortgage. After (and only after) all Loan Obligations (hereinafter defined) owing to Mercantile (hereinafter defined) are paid in full, the rentals under the Community Lease shall be adjusted so that such rentals equal the net positive difference between the rents due to Novi under the Community Lease and the loan payments due from Novi under the Community Loan. In such event, FRVI does hereby agree to attorn to CNL or to any such owner of the fee estate underlying the Land as its landlord. upon demand by CNL. In such event, at the written request of CNL or FRVI, FRVI and CNL shall enter into an amended lease directly with each other to reflect the foregoing.

2. Novi Equity. FRVI acknowledges that all of the membership interests in Novi ("Novi Equity") have been pledged first to Mercantile as security for the Loan Obligations and, subject to such first pledge, on a junior basis to CNL as security for the Ground Lease and various obligations relating thereto, and agrees and acknowledges that the transfer of the Novi Equity to CNL, or of any other ownership interests or rights or benefits of Novi or Erickson relating to Fox Run Village (not including obligations and responsibilities of Erickson to FRVI, however) following any default under the Ground Lease shall not constitute a violation of, or default under, the Community Lease, Community Loan (as identified below) or other agreements by and between Novi and/or Erickson and FRVI relating to Fox Run Village.

3. Ground Lease Default. CNL agrees to provide to FRVI or its permitted assigns, notice of any default under the Ground Lease and the opportunity to cure any such default within thirty (30) days after the date of such notice. In the event that CNL provides such a notice, FRVI may cure such default within said thirty (30) day period. FRVI and Novi agree that if CNL notifies FRVI in writing that the Ground Lease is terminated or Novi has defaulted under the performance of its obligations under the Ground Lease and CNL makes a demand upon FRVI to immediately perform the obligations due or to become due under the Community Lease, including the payment of the rent accruing thereunder, directly to CNL, then FRVI shall follow the instructions set forth in such written demand and deliver net rent payments to CNL, and Novi and CNL agree that FRVI shall be credited under the Community Lease for any rent payments sent to CNL pursuant to such written notice. FRVI and Novi agree that, in the event that and during such time as any default may exist and remain uncured under the Ground Lease, or to the extent that Novi has not taken all necessary steps to preserve, maintain and fully and timely perform all obligations under the Community Lease, CNL may, but shall not be required to,

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exercise directly any right, remedy or option that Novi may be entitled to exercise under the terms of the Community Lease.

4. Subordination to Mercantile Loan. Novi is indebted to Mercantile – Safe Deposit and Trust Company, a Maryland corporation ("Mercantile"), for a revolving loan and letter of credit facility in the aggregate principal amount at anyone time outstanding not to exceed $46,000,000.00 (the "Loan"), the proceeds of which are to be used for the purposes set forth in the Loan Agreement (as hereinafter defined). In connection with the Loan:

(a) Mercantile agreed to advance the Loan pursuant to a Construction Loan Agreement between Novi and Mercantile dated February 12, 2002, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified (the "Loan Agreement"), as evidenced by a Revolving Loan Note by Novi dated February 12, 2002, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified (the "Note"), and secured by a Mortgage from Novi to and in favor of Mercantile dated February 12, 2002, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified (the "Mortgage") (the Loan Agreement, Note, Mortgage and all related documents and interests are hereinafter referred to as the "Loan Documents").

(b) Pursuant to the Loan Documents, Mercantile has been granted a mortgage lien and security interest upon, *inter alia*, the entire interests of Novi and FRVI in and to all of Fox Run Village, including without limitation the Premises and the fee simple interests in the Land which have been or are being conveyed to CNL, in order to secure Mercantile's rights to be reimbursed for all amounts drawn under the Loan Documents together with interest thereon at the applicable rate of interest provided for in the Loan Agreement.

(c) Accordingly, the parties hereto agree and acknowledge that, as reflected in separate agreements entered into with Mercantile, including, without limitation, the Tri-Party Agreement (as defined below), their interests in the Land, the Premises and the other elements and components of Fox Run Village (including without limitation all rights and interests under this Agreement) are subject in all respects, and subordinate to, the liens, rights and interests of Mercantile pursuant to the Loan Documents.

CNL agrees that if Novi refinances the Loan or if FRVI issues and sells its Fox Run Village, Inc. Variable Rate Demand Bonds (the "Bonds"), and uses the proceeds thereof to pay Mercantile all obligations owing in connection with the Loan in full (the "Loan Obligations") CNL shall, upon the request of Novi or FRVI, (1) permit the mortgage that secures the refinancing or the Bonds to have the same lien on the Land as is currently the case with the Mortgage securing the Loan and Mercantile (up to the principal amount of the Loan) and (2) shall enter into a three party agreement with the new lenders (or their trustee) substantially similar in form and effect to the Ground Lessor Tri-Party Agreement dated as of the date hereof and entered into by CNL, CNL Retirement Partners, LP and Mercantile, with the joinder of Novi (the "Tri-Party Agreement").

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5. Community Loan and Mortgage. CNL acknowledges and agrees that Novi's interests in the Premises is subject and subordinate to that certain Mortgage and Security Agreement and Financing Statement dated February 12, 2002 from Novi to and in favor of FRVI (the "Community Mortgage"), which secures a loan in the aggregate principal amount at any one time outstanding not to exceed $405,000,000.00, advanced pursuant to a Community Loan Agreement between Novi and FRVI dated February 12, 2002 (the "Community Loan"). In the event of the termination of the Ground Lease, and the attornment of FRVI to CNL under the Community Lease as contemplated hereunder and the agreement by CNL to assume, on a non-recourse basis, all obligations and encumbrances under the Community Loan and Community Mortgage, FRVI shall continue to be obligated to fund the Community Loan in accordance with the terms thereof and, subject to the Loan Documents and the Tri-Party Agreement and receipt of written notice thereof from CNL, shall pay and deliver all such amounts to be funded to CNL, until such time as CNL shall have received the full Option Purchase Price (as defined below), as calculated under the Ground Lease as though paid at such time and the balance of the Option Purchase Price is in fact received by CNL.

6. Purchase Option. Should FRVI finance the acquisition of a purchase option on the Premises (in addition to the Community Lease Option) through the issuance of bonds, CNL acknowledges and agrees that, should such transaction occur in nature and structure similar to the financing established by Brooksby Village, Inc., Peabody Campus, LLC and LaSalle Bank National Association with respect to the Brooksby Village retirement community in Essex County, Massachusetts, CNL's interest in the Land shall be subject and subordinate in all respects to (1) any "Purchase Option Agreement," between Novi, FRVI and Erickson Retirement Communities, LLC, to the rights of FRVI thereunder to purchase the Premises and the fee simple interests in the Land (free and clear of the Ground Lease and the interests of CNL), and to any and all ancillary documents relating thereto, including but not limited to a Purchase Deposit Mortgage and Security Agreement or similar document from Novi to FRVI (the "Purchase Deposit Mortgage") , which may be executed, delivered and recorded, effective and encumbering the Land , as security for repayment to FRVI of the purchase option deposit which would be paid by FRVI to Novi pursuant to the Purchase Option Agreement (the "Purchase Option Deposit") and (2) to the Community Lease Option. CNL, Novi and FRVI hereby agree to enter into and to cause any other necessary parties to enter into (x) any amendments to the Community Lease, the Community Loan Agreement, the Community Loan Mortgage and any related documents and/or (y) any additional documents, necessary to further effect or confirm the subordination described in this Section 6.

7. Exercise of Options by FRVI. Pursuant to the Ground Lease Novi has agreed that, upon any transfer of title to the Land from CNL pursuant to the Community Lease Option, or any Purchase Option Agreement or Purchase Option Mortgage entered into in accordance with Section 6 (or otherwise to any party claiming by, through or under Novi, including without limitation FRVI and Mercantile), CNL shall be entitled to receive from Novi the full "Option Purchase Price" as provided for and reserved pursuant to Section 24.2 of the Ground Lease. CNL hereby agrees, upon and in the event of the effective exercise of the option to purchase granted to FRVI under the Community Lease Option, or any Purchase Option Agreement entered into in accordance with Section 6, to promptly and timely tender to FRVI a proper conveyance of

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all of the interests of CNL in and to the Land free and clear of all liens or encumbrances arising from, by or through CNL or any of its affiliates or its tenant ("CNL Liens"). The parties hereby agree that, subject to the terms and conditions of the Loan Documents and the Tri-Party Agreement, such tender and conveyance shall entitle CNL to all payments, rights and economic interests of and accruing to Novi in connection with the conveyance of the Premises (including CNL's interest in the Land) and FRVI agrees that to the extent permitted by the Loan Documents and the Tri-Party Agreement such amounts owed to Novi by FRVI shall be paid and delivered by FRVI to CNL, and shall be and become the property of CNL to the extent of the Option Purchase Price owed by Novi to CNL. CNL shall not sell, transfer, encumber or place a lien on the Land except for the Ground Lease and shall not suffer to exist any CNL Lien on the Land except a Permitted Encumbrance as defined in the Loan Documents.

8. Deposits. FRVI and Novi agree that, subject to the requirements of the Loan Documents and the Tri-Party Agreement, any deposits held by Novi relating to the Community Lease, and any deposits held by FRVI for the benefit of Novi (the "Deposits") shall be segregated and held in trust separate from other monies. FRVI and Novi agree that upon demand by CNL following any default under the Community Lease, and subject to the requirements of the Loan Documents and the Tri-Party Agreement, Novi shall deliver possession of any such Deposits in its possession to CNL, and that FRVI shall hold any such Deposits that are in its possession for the benefit of CNL, subject to the Loan Documents and the Tri-Party Agreement, the rights of FRVI and the rights of the residents of Fox Run Village (or any other third parties), and shall upon demand by CNL deliver possession of such Deposits to CNL at any time that Novi would have been entitled thereto. Notwithstanding the foregoing, FRVI and Novi may return Deposits to the person making the deposits in the ordinary course of their respective businesses, as required by law.

9. Notices of Community Lease Default. FRVI shall provide to CNL immediate written notice of any notice of default by Novi under the terms of the Community Lease that FRVI gives to Novi. In the event that FRVI provides such a notice, CNL may cure such default within thirty (30) days after the expiration of any cure period to which Novi may be entitled under the terms of the Community Lease, or if no cure period is provided by the terms of the Community Lease, then CNL may cure such default within thirty (30) days after receipt by CNL of the notice of default from FRVI. In the event of a default by Novi under the terms of the Community Lease, FRVI and Novi agree that FRVI shall immediately attorn to CNL, and provide its performance under the Community Lease to CNL, upon demand by CNL.

10. FRVI – Novi Notices. FRVI and Novi shall immediately provide to CNL any notice which they are entitled to provide or required to provide to each other under the terms of the Community Lease, including without limitation, notices of the exercise of any options to renew the Community Lease, as well as notices relating to the Community Loan, or any Purchase Option Agreement or Purchase Option Mortgage entered into in accordance with Section 6.

11. CNL Liabilities. Except as specifically set forth this Agreement, CNL shall not be (a) liable for any default of Novi under the Community Lease; (b) subject to any offsets or defenses which have accrued prior to the date of termination of the Ground Lease; (c) bound by any rent that FRVI may have paid under the Community Lease more than one month in advance;

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(d) bound by any amendment or modification of the Community Lease hereafter made without CNL's prior written consent; (e) responsible for the return of any security or other Deposit delivered to Novi under the Community Lease and not subsequently received by CNL.

12. FRVI Liabilities. Except as specifically set forth this Agreement, FRVI shall not be (a) liable for any default of Novi under the Ground Lease; (b) subject to any offsets or defenses which have accrued prior to the date of termination of the Ground Lease; (c) bound by any rent that Novi may have paid under the Ground Lease more than one month in advance; (d) bound by any amendment or modification of the Ground Lease hereafter made without FRVI's prior written consent; (e) responsible for the return of any security or other Deposit delivered to Novi under the Ground Lease and not subsequently received by FRVI.

13. Amendment of Community Lease. The parties agree that the terms of the Community Lease constitute a material inducement to CNL's entering into and performing the Transaction and this Agreement. FRVI and Novi accordingly jointly and severally agree that they will not materially amend or modify the Community Lease, or waive the benefit of any of its material provisions, or in any way terminate or surrender the Community Lease except as expressly provided in the Community Lease, or this Agreement, or both, without CNL's prior written approval (which shall not unreasonably be withheld, conditioned or delayed). All amendments, modifications, substitutions, renewals, extensions, and replacements of the Community Lease will remain subordinated to CNL's interest in the Land without the necessity of any further act of the parties.

14. Amendment of Ground Lease. The parties agree that the terms of the Ground Lease constitute a material inducement to FRVI's entering into this Agreement. CNL and Novi accordingly jointly and severally agree that they will not materially amend or modify the Ground Lease, or waive the benefit of any of its material provisions, or in any way terminate or surrender the Ground Lease except as expressly provided in the Ground Lease, or this Agreement, or both, without FRVI's prior written approval (which shall not unreasonably be withheld, conditioned or delayed).

15. Certification about Community Lease. Whenever reasonably requested by CNL, upon not less than twenty (20) days prior written notice, FRVI and Novi severally from time to time will execute and deliver to or at the direction of CNL, and without charge, a written certification of all of the following:

(a) That the Community Lease is unmodified and in full force and effect (or, if there have been modifications, that the Community Lease is in full force and effect as modified, and stating the date and nature of each modification);

(b) The date, if any, to which rent and other sums payable under the Community Lease have been paid, and the amount of security deposit and prepaid rent, if any;

(c) That no notice has been received by Novi or FRVI of any default which has not been cured except as to default specified in such certificate;

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(d) That CNL, Novi, or FRVI, as the case may be, is not in default under the Community Lease except as to default specified in such certificate, nor is there now any fact or condition which, with notice or lapse of time both, will become a default except as specified therein;

(e) Such other matters as may be reasonably requested by CNL. Any such certificate may be relied upon by any actual or prospective purchaser, mortgagee or beneficiary under any deed or mortgage of the Land or any part thereof, or any other person designated by CNL as being entitled to rely thereon.

FRVI's certificate may be qualified to actual knowledge where Novi or its affiliates have direct knowledge of the relevant matters.

16. Certification About Ground Lease. Whenever reasonably requested by FRVI, upon not less than twenty (20) days prior written notice, CNL and Novi severally from time to time will execute and deliver to or at the direction of FRVI, and without charge, a written certification of all of the following:

(a) That the Ground Lease is unmodified and in full force and effect (or, if there have been modifications, that the Ground Lease is in full force and effect as modified, and stating the date and nature of each modification);

(b) The date, if any, to which rent and other sums payable under the Ground Lease have been paid, and the amount of security deposit and prepaid rent, if any;

(c) That no notice has been received by Novi or CNL of any default which has not been cured except as to default specified in such certificate;

(d) That Novi, or CNL, as the case may be, is not in default under the Ground Lease except as to default specified in such certificate, nor is there now any fact or condition which, with notice or lapse of time both, will become a default except as specified therein;

(e) Such other matters as may be reasonably requested by FRVI. Any such certificate may be relied upon by any actual or prospective purchaser, mortgagee or beneficiary under any deed or mortgage of the Land or any part thereof, or any other person designated by FRVI as being entitled to rely thereon.

17. Notices. All notices which may or are required to be sent hereunder shall be in writing, effective upon delivery or refusal to accept delivery, and shall be sent by first-class certified U.S. mail, postage prepaid, return receipt requested, or by receipted overnight carrier (such as Federal Express) to the address appearing below or such other address as shall hereafter be provided in writing:

If to FRVI: Fox Run Village, Inc.
701 Maiden Choice Lane
Baltimore, Maryland 21228

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Attn: President

With a copy (which is an essential part of the notice) to:

Hogan & Hartson L.L.P.
111 South Calvert Street, Suite 1600
Baltimore, Maryland 21202
Attn: Edward C. Sledge, Esq.

If to Novi:

Novi Campus, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: General Counsel

If to CNL:

CNL Retirement ER2, LP
CNL Center at City Commons
450 South Orange Avenue
Orlando, Florida 32801-3336
Attn. Executive Vice President

With a copy (which is an essential part of the notice) to:

Lowndes, Drosdick, Doster, Kantor & Reed, P.A.
215 North Eola Drive
Orlando, Florida 32801
Attn: Patrick K. Rinka, Esq.

18. Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their permitted successors in interest, heirs and assigns and any subsequent owner of the fee interest underlying the Land

19. Attorneys Fees and Costs. Should any action or proceeding be commenced to enforce any of the provisions of this Agreement or in connection with its meaning, the prevailing party in such action shall be awarded, in addition to any other relief it may obtain, its reasonable costs and expenses, not limited to taxable costs, and reasonable attorneys' fees.

20. Certain Joinders not Required. The parties agree that FRVI need not be joined as a party/defendant in any action or proceeding which may be instituted or taken by CNL to enforce against Novi the terms, covenants, conditions and agreements set forth in the Ground Lease. The parties agree that CNL need not be joined as a party/defendant in any action or proceeding which may be instituted or taken by FRVI to enforce against Novi the terms, covenants, conditions and agreements set forth in the Community Lease.

21. Waiver of Trial by Jury. CNL, FRVI and Novi hereby voluntarily and intentionally waive any rights they may have to trial by jury in any action or proceeding to which CNL, FRVI or Novi may be parties, arising out of, under or in any way pertaining to this Agreement or any course of conduct.

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course of dealing, statements (whether verbal or written) or actions of the FRVI, Novi, or CNL. This waiver constitutes a waiver of trial by jury of all claims against all parties to such actions or proceedings, including claims against parties who are not parties to this Agreement, and including the assigns and successor in interest of the parties to this Agreement.

22. Severability. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable laws, but if any provision contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall remain effective and binding on the parties hereto and shall not be affected or impaired thereby.

23. Applicable Law. This Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Michigan both in interpretation and performance.

24. Duplicate Originals and Counterparts. This Agreement may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts shall be deemed to be an original and all taken together shall constitute but one and the same instrument.

25. Recordation. Any party may record this Agreement. Novi shall pay the costs of such recordation.

26. Limitation on Liability of Members. The parties hereby agree and confirm that upon the occurrence of any default and/or Event of Default under any provision of this Agreement, if any judicial proceedings to enforce the obligations of a party is brought by any party, such proceedings shall be limited to the property and assets of the party. No judgment or suit shall be sought or obtained by any party against the members of the parties, or any officer, director or employee of a member or their assets. Nothing herein contained shall limit or impair the liability of a member of a party for any obligation arising independently of their status as a member of such party.

27. Mercantile Override Provisions. The parties agree that this paragraph shall supersede all other provisions of this Agreement. Until the Loan Obligations are paid to Mercantile in full, (a) there shall be no amendment of the terms of the Community Lease, the Community Loan or the Community Mortgage, all of which shall remain senior to the interests of CNL in and to the Premises and the Land, and (b) CNL shall have no right in any bankruptcy proceeding or otherwise, to reject the Ground Lease or the Community Lease or to adversely affect any other interests in the Premises existing as of the date on which CNL receives its interests in the Premises, all of which existing interests shall be and remain superior and senior to CNL's interests in all respects.

IN WITNESS WHEREOF, each of the parties has executed and delivered this Fox Run Village Non-Disturbance, Recognition, Attornment and Release Agreement under such party's seal as of the day and year first written above.

IN WITNESS WHEREOF, each of the parties has executed and delivered this Fox Run Village Non-Disturbance, Recognition, Attornment and Release Agreement under such party's seal as of the day and year first written above.

Signed, sealed and delivered in the presence of the following witnesses:

Dawn E. Hughes
Signature of Witness

Dawn E. Hughes
Printed Name of Witness

Signature of Witness

Printed Name of Witness

FOX RUN VILLAGE, INC., a Maryland non-profit corporation

By: _____
Printed Name: Jeffrey A. Jacobson
Title: Secretary

STATE OF Maryland
COUNTY OF Baltimore

The foregoing instrument was acknowledged before me this 28th day of February 2003, by Jeffrey A. Jacobson as Secretary of FOX RUN VILLAGE, INC., a Maryland non-profit corporation, on behalf of the corporation. He (She) is personally known to me or has produced _____ as identification.

(NOTARY SEAL)

Lois M. Shaw
Notary Public Signature
Lois M. Shaw
(Name typed, printed or stamped)
Notary Public, State of Maryland
Commission No.: _____
My Commission Expires: _____

LOIS M. SHAW
NOTARY PUBLIC, STATE OF MARYLAND
My Commission Expires October 26, 2004

Signed, sealed and delivered in the presence of the following witnesses:

Patrick K. Rinka
Signature of Witness
PATRICK K. RINKA
Printed Name of Witness

Theresa R Bagwell
Signature of Witness
Theresa R Bagwell
Printed Name of Witness

CNL RETIREMENT ER2, LP, a Delaware limited partnership

By: CNL Retirement ER2 GP, LLC, a Delaware limited liability company.
Its: General Partner

By: Bradley B. Rush
Bradley B. Rush, Senior Vice President

Date: As of February 25, 2003

STATE OF FLORIDA

COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 25th day of February, 2003, by Bradley B. Rush, as Senior Vice President of CNL Retirement ER2 GP, LLC, a Delaware limited liability company, ~~as General Partner~~ of CNL Retirement ER2, LP, a Delaware limited partnership. He is personally known to me or produced _____ as ~~identification~~.

(NOTARY SEAL)

Christina D. Redman
Notary Public Signature
(Name typed, printed or stamped)
Notary Public, State of _____
Commission No.: _____
My Commission Expires: _____

Christina D. Redman
MY COMMISSION # DD002353 EXPIRES
April 15, 2005
BONDED THRU TROY FAIN INSURANCE, INC.

Signed, sealed and delivered in the presence of the following witnesses:

Dawn E. Hughes
Signature of Witness

Dawn E. Hughes
Printed Name of Witness

Amy D. Bauer
Signature of Witness

Amy D. Bauer
Printed Name of Witness

NOVI CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, a Maryland limited liability company.
Its: Sole Member/Authorized Agent

By: _____
Jeffrey A. Jacobson, Managing Director

Date: As of February 28, 2003

STATE OF Maryland
COUNTY OF Baltimore City

The foregoing instrument was acknowledged before me this 28th day of February 2003, by Jeffrey A. Jacobson, the Managing Director of Erickson Retirement Communities, LLC, a Maryland limited liability company, as Sole and Managing Member of NOVI CAMPUS, LLC, a Maryland limited liability company, on behalf of the company. He is personally known to me or has produced _____ as identification.

(NOTARY SEAL)

Lois M. Shaw
Notary Public Signature

Lois M. Shaw
(Name typed, printed or stamped)
Notary Public, State of Maryland
Commission No.: _____
My Commission Expires: _____

LOIS M. SHAW
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires October 26, 2004

EXHIBIT "A"

DESCRIPTION OF REAL ESTATE

Parcel Identification No. 22-01-300-013

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3:

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as:

Beginning at a point distant East 280.00 feet from Southwest corner thereof: thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds, West, 100.00 feet to the point of ending.

PARCEL 4:

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20

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seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

The combined Parcels 1, 2, 3 and 4 are more particularly described as:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Commencing at the Southwest corner of Section 1, Town 1 North, Range 8 East; thence along the West line of Section 1: North 03 degrees 28 minutes 39 seconds West 60.01 feet to the point of beginning; thence continuing along the West line of Section 1, North 03 degrees 28 minutes 39 seconds West 2590.40 feet to the West 1/4 corner of Section 1, Town 1 North, Range 8 East: thence along the West line of Section 1 and along the boundary of "The Maples of Novi, Maple Hills", Oakland County Condominium Plat No. 627, North 02 degrees 28 minutes 35 seconds West 649.69 feet; thence continuing along the boundary of "The Maples of Novi, Maple Hills" the following two (2) courses; one (1) North 87 degrees 21 minutes 41 seconds East 682.69 feet and two (2) North 03 degrees 11 minutes 10 seconds West 2.24 feet; thence along the south boundary of "Haverhill Farms", Oakland County Condominium Plat No. 912, North 87 degrees 19 minutes 27 seconds East 693.69 feet; thence South 03 degrees 16 minutes 01 second East 3236.69 feet to a point 70.00 feet North of the South line of Section 1, thence along the north line of Thirteen Mile Road the following five (5) courses: one (1) South 87 degrees 31 minutes 40 seconds West 25.33 feet, two (2) South 02 degrees 28 minutes 20 seconds East 15.00 feet, three (3) South 87 degrees 31 minutes 40 seconds West 300.00 feet, four (4) North 02 degrees 28 minutes 20 seconds West 5.00 feet, and five (5) South 87 degrees 31 minutes 40 seconds West 1050.40 feet to the point of beginning.

Commonly known as: 41100 and 41060 Thirteen Mile Road

CERTIFICATE OF COPY OF RECORD
STATE OF MICHIGAN
COUNTY OF OAKLAND

I, Ruth Johnson, Register of Deeds for Oakland County, certify that I have compared the attached copy with the original record on file, and it is a true and correct transcript of the original record in Liber 28608 Page(s) 512-524
in testimony whereof, I have set my hand and affixed the seal of REGISTER OF DEEDS on 9.21.09.

By: Carolyne A Barnhart
DEPUTY CLERK Carolyne A. Barnhart

Per PA #53, effective 9-6-07

EXHIBIT 18

"Tenant Subordination Documents"

1. **"Tenant Subordination"**: Tenant Subordination Agreement (By Fox Run Village, Inc. For The Benefit Of The Lender)

2. Curative Rights Agreement (By Fox Run Village, Inc. For The Benefit Of The Lender)

Bank Of America - CD#13 - Control ID#1133

TENANT SUBORDINATION AGREEMENT

THIS TENANT SUBORDINATION AGREEMENT (this "**Tenant Subordination Agreement**") is given as of the 12th day of February, 2002, by FOX RUN VILLAGE, INC., a Maryland non-profit corporation ("**FRVI**"), to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking institution (the "**Lender**").

RECITALS

FRVI is the lessee under a certain Master Lease and Use Agreement dated of even date herewith (together with all amendments thereto from time to time, the "**Lease**") from Novi Campus, LLC, a Maryland limited liability company (which is hereinafter referred to as the "**Borrower**"), as landlord, to FRVI, of certain real property, together with the improvements thereon, located on Thirteen Mile Road and situated in Oakland County, Michigan, as more particularly described in the Lease (the "**Premises**"), which Premises are to be used by FRVI for the operation of a retirement community (the "**Retirement Community**").

Pursuant to a Construction Loan Agreement of even date herewith (the "**Loan Agreement**") and other Loan Documents referred to therein (collectively, together with the Loan Agreement, the "**Loan Documents**"), the Lender has made available to the Borrower a certain revolving construction loan in the aggregate principal amount at any one time outstanding not to exceed Forty-Six Million Dollars ($46,000,000) (the "**Loan**") for construction of the Retirement Community. The obligations of the Borrower in connection with the Loan have been secured by a Mortgage encumbering the Premises dated of even date herewith (the "**Mortgage**") and certain Financing Statements related thereto (the "**Financing Statements**") (the Mortgage and the Financing Statements being hereinafter collectively referred to as the "**Documents**").

As a condition to the Lender making the Loan available to the Borrower, the Lender has required the execution and delivery of this Tenant Subordination Agreement. As the tenant of the Premises and the operator of the Retirement Community, including those portions to be constructed with the proceeds of the Loan, FRVI will benefit from the advance of the Loan by the Lender and FRVI has agreed to subordinate the Lease to the Documents pursuant to this Tenant Subordination Agreement.

AGREEMENTS

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, in consideration of the above recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree and covenant as follows:

1. FRVI hereby acknowledges and agrees that the Lease and the rights and options granted to FRVI thereunder is and shall be (i) subordinate to the Documents and any

other mortgage or deed of trust in favor of the Lender, whether securing the Loan or any other loan, financial accommodation or guaranty, and (ii) subject and inferior to the Documents and any other mortgage or deed of trust in favor of the Lender, whether securing the Loan or any other loan, financial accommodation or guaranty.

2. Should the Premises be transferred to any person or party other than the Borrower by reason of foreclosure of or other proceedings brought pursuant to or under the Documents (or any other mortgage or deed of trust in favor of the Lender), FRVI shall at the option of said transferee attorn to and be bound to said transferee under all of the terms, covenants and conditions of the Lease for the remaining balance of the term thereof and any extensions or renewals thereof, with the same force and effect as if the transferee was the lessor under the Lease.

3. The Lender agrees that the Lease shall not be terminated nor FRVI's use, possession or enjoyment of the Premises be interfered with, by reason of any foreclosure proceeding or other action brought pursuant to or under the Documents if and only for so long as the following conditions are met: (a) no default has occurred under the Lease or under the Loan Documents or Community Documents (as those terms are defined in the Loan Agreement) with respect to any obligations of FRVI, (b) FRVI is in compliance with all of the terms and conditions of all agreements between FRVI and the Lender, including, but not limited to, the Curative Rights Agreement between FRVI and the Lender of even date herewith, (c) FRVI has not failed to make a loan advance under the Community Loan Documents (described in the Loan Agreement) either to the Borrower or to its successor-in-interest (including any successor-in-interest to the Borrower by foreclosure or deed in lieu of foreclosure) with respect to any resident who has occupied a Continuing Care Unit (as that term is defined in the form of Residence and Care Agreement described in the Loan Documents) in the Retirement Community (regardless whether FRVI may have been relieved of the obligation to make any such advance under the terms of the Community Loan Documents), (d) commencing on the date on which a certificate of occupancy is issued for the First Residential Construction Phase (described in the Loan Agreement) and at all times thereafter FRVI has not (i) failed to move any one or more residents into Continuing Care Units at a rate of at least fifteen (15) moves per month, or (ii) failed to move any one or more residents into Continuing Care Units within four (4) months of the date any such Unit or Units are ready for occupancy and a resident has made all financial arrangements necessary for such move and otherwise stands ready and willing to move into such Unit, and (e) Erickson Retirement Communities, LLC, a Maryland limited liability company, or any successor manager of the Retirement Community is in compliance with all of its obligations under the Management Agreement of even date herewith, or any amendment or replacement thereof approved by the Lender. If any of the foregoing conditions is not met with respect to any one or more Units in any Phase of the Project, provided that any such failure under paragraph (a) or (b) shall be subject to cure within thirty (30) days after written notice from Lender to FRVI, the non-disturbance provisions of this paragraph shall not apply and the Lender shall be free to terminate the Lease and all of FRVI's rights with respect to the Premises. Anything in this Paragraph 3 to the contrary notwithstanding, the non-disturbance provisions of this paragraph shall not apply if at any time FRVI fails to enter into any and all agreements required by the Lender to provide to the Lender access, utilities and other rights and privileges reasonably

required by the Lender to allow its operation and maintenance of any and all portions of the Premises as to which the Lease is not then in effect for any reason.

4. In the event the non-disturbance provisions of Paragraph 3 do not apply and the Lender terminates the rights of FRVI under the Lease, the Lender nevertheless agrees that it shall not remove any Resident of the Retirement Community from possession of his or her Unit, for so long as such Resident is in compliance with the terms and provisions of his or her Residence and Care Agreement (including payment of monthly fees, as the same are allowed to be increased from time to time thereunder), and during the period of such non-disturbance of such Resident, that the Lender will make available basic utility services (i.e. heat, air conditioning, electricity, water, sewer) at the cost of the Resident. The Lender specifically disclaims any obligation under this paragraph 4 (or otherwise) to provide any healthcare services or other services of any kind to such Residents, or any obligation to refund any amounts paid by any such Resident to the Tenant, including any Entrance Deposits. The Lender owes no obligations to the Residents except as specifically provided for in this Paragraph 4.

5. FRVI hereby agrees not to modify or amend the Lease, the Community Loan Documents or the Community Documents (as defined in the Loan Agreement), without the prior written consent of the Lender, and agrees that no consent or waiver given to it under the Lease, the Community Loan Documents or the Community Documents, shall be valid without the prior written consent of the Lender.

6. FRVI hereby agrees to furnish to the Lender a duplicate copy of the financial information to be supplied to the Borrower as required by the Lease.

7. FRVI does hereby agree to execute, acknowledge and deliver to the Lender such further instruments as may be necessary to effectuate the purposes of this Tenant Subordination Agreement.

8. FRVI agrees, as long as the Lease and/or the Community Loan Documents are in effect, that

(a) FRVI shall cooperate fully with the Borrower in providing to the Lender all financial and operational information required by the Loan Documents, including, but not limited to, the information required in Sections 3.1(w), 4.3 and 8.3 of the Loan Agreement, at the times specified therein.

(b) FRVI shall furnish to the Lender, within ten (10) days after filing thereof, copies of all federal, state and local income tax returns or informational filings for FRVI.

(c) FRVI shall (i) at all times maintain complete and accurate records and books of account in accordance with generally accepted accounting principles, (ii) comply with any or all other reasonable reporting, verification, inspection and other administrative requirements of the Lender as requested by the Lender from time to time and (iii) permit the Lender, by its agents, accountants and attorneys to enter and inspect all properties and operations

of FRVI and to examine such records and books of account. The Lender will use reasonable efforts to not interfere with the business of FRVI in the course of such inspections.

9. Capitalized terms used herein shall have the meanings ascribed to them in the Loan Agreement.

10. The provisions of this Tenant Subordination Agreement shall be binding on, and shall inure to the benefit of, the successors and assigns of the parties hereto (but this provision shall not cure a default by a party hereunder or give a successor or assign any right which has been forfeited by its predecessor in interest by failure to act in accord with the terms hereof in a timely manner).

11. The Lender's obligations under this Agreement shall expire on the date of release or satisfaction of the Documents or on such earlier date on which the Lender sells or assigns all of its rights under the Documents to another bank or lender.

12. Except as provided to the contrary below, this Tenant Subordination Agreement shall be governed by and construed in accordance with the internal laws of the State of Maryland applicable to contracts made and to be performed in such state (without regard to principles of conflicts of law applicable under Maryland law and applicable laws of the United States of America); provided, however, that with respect to the provisions hereof which relate to title or the creation, perfection, priority, enforcement or foreclosure of liens on and security interests in or assignments of any of the Property, or as otherwise required by the laws of Michigan, this Tenant Subordination Agreement shall be governed by the laws of Michigan; it being understood that, to the fullest extent permitted by the laws of Michigan, the laws of the State of Maryland shall govern the validity and enforceability of this Tenant Subordination Agreement in all instances where the law of Michigan is not specifically made the law applicable to this Tenant Subordination Agreement.

WITNESS the following hands and seals as of the day and year first above written.

WITNESS:

FOX RUN VILLAGE, INC.

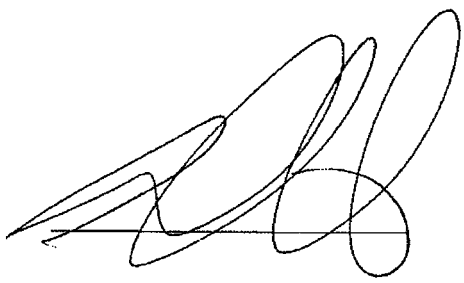
By: _____ (SEAL)
Bruce R. Grinrod, Jr.
President

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____ (SEAL)
Bruce D. McLean,
Senior Vice President

ACKNOWLEDGED AND AGREED as of the 12th day of February, 2002.

WITNESS:



BORROWER

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Member

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and Chief Operating Officer

DOCUMENT: 1.10

CURATIVE RIGHTS AGREEMENT

(FRVI)

THIS CURATIVE RIGHTS AGREEMENT (this "**Agreement**") is given as of the 12th day of February, 2002 by FOX RUN VILLAGE, INC., a Maryland non-profit corporation ("**FRVI**") to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking institution (hereinafter referred to as "**Lender**"), as follows:

RECITALS

Reference is hereby made to a Tenant Subordination Agreement between FRVI and Lender dated of even date herewith (the "**Tenant Subordination Agreement**"). The Recitals set forth in the said Tenant Subordination Agreement are incorporated by reference in this Agreement as if fully set forth herein. All capitalized terms used in this Agreement shall have the meanings ascribed to them in the Tenant Subordination Agreement unless a contrary intent is clearly evidenced hereby.

In addition to the Lease, FRVI is a party to certain other agreements with the Borrower, including the Community Documents, as defined in the Loan Agreement. The Lender has required, as a condition to its execution of the Loan Agreement, that FRVI execute and deliver this Agreement granting to the Lender certain curative rights with respect to any and all agreements of any kind between FRVI and the Borrower, including any Community Documents between such parties (all of which documents and agreements together with any and all amendments, assignments, extensions, restatements, additions, supplements and substitutions therefore, are hereinafter collectively referred to as the "**Curable Documents**").

AGREEMENTS

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, that in consideration of the above recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, FRVI makes the following agreements in favor of and grants the following rights to the Lender:

1. FRVI agrees that, notwithstanding any contrary provisions of the Curable Documents, FRVI shall not declare any default or take any remedy provided for with respect to any default or otherwise available following the occurrence of any default under the Curable Documents, until FRVI has done the following:

   a. Notified the Lender of the default in writing, and specified in detail the actions required to be taken to cure such default and to reinstate the Curable Documents in good standing;

   b. Given the Lender a period of thirty (30) days in the case of a cure requiring the payment of money, only, and ninety (90) days in all other cases, following the Lender's receipt of any notice under paragraph (a) of this Agreement in which to effect the cure specified by FRVI, provided that any such period shall be extended

for a reasonable time if the Lender has promptly undertaken and is diligently pursuing such a cure.

2. FRVI agrees that:

a. if the Lender effects a cure at any time under the provisions of paragraph 1 of this Agreement with respect to any of the Curable Documents, such cure shall constitute a permissible cure on the part of the party or parties to any such Curable Documents and shall be accepted by FRVI as such, and shall reinstate any such Curable Documents in good standing according to their original tenor; and

b. there shall be no limit to the number of occasions on which the Lender shall be entitled to cure defaults under the Curable Documents in accordance with the terms of this Agreement, but FRVI also acknowledges and agrees that the Lender shall never be obligated to pursue or effect any such cure, and that this Agreement confers no rights on FRVI or any of its successors or assigns; any action taken by the Lender hereunder shall be solely in the Lender's discretion.

3. FRVI agrees not to modify or amend the Curable Documents, without the prior written consent of the Lender, and agrees that no consent or waiver given to it under the Curable Documents shall be valid without the prior written consent of the Lender.

4. FRVI warrants and represents to the Lender that all possible defaults by the Borrower under the Curable Documents are and shall at all times remain susceptible of cure by the Lender in accordance with the terms of this Agreement. FRVI further warrants and represents to the Lender that the only action or non-action which may constitute a default by the Borrower under the Community Loan Documents (as defined in the Loan Agreement), entitling FRVI to pursue remedies thereunder is the failure of the Borrower to pay amounts owing thereunder, and FRVI agrees that (a) if the Lender cures any such non-payment by the Borrower, the Community Loan Documents shall be reinstated in good standing according to their original tenor whether or not there continues to exist or may later exist any defaults under any of the Curable Documents other than the Community Loan Documents, and (b) following any such cure by the Lender (and at all times prior to any default by the Borrower) FRVI shall make all loans required to be made by FRVI to the Borrower under the terms of the Community Loan Documents. The representations and warranties contained in this paragraph shall be construed to mean, among other things, that FRVI shall not be entitled to exercise any rights or remedies (including termination of any obligation to make loans under the Community Loan Documents) with respect to any default by the Borrower under the Curable Documents which is not susceptible of cure under this Agreement or to the extent any action or inaction other than payment of money could be interpreted to constitute a default by the Borrower under the Community Loan Documents.

5. FRVI acknowledges and agrees that under no circumstances shall the Lender be or become obligated to FRVI for repayment of any loans or other obligations now or hereafter owed to FRVI under the Curable Documents. FRVI agrees that if any funds otherwise to be advanced to the Borrower or to any party other than the Lender are received by the Lender, by whatever means, including but not limited to judicial process, such funds shall not constitute loans from FRVI to the Lender and may not be recovered by FRVI from the Lender for any reason, even if the same might be recoverable from the Borrower or another party, including but not limited to parties on behalf of which the Lender may have exercised or may have the right to exercise curative rights under the terms of this Agreement.

Except as provided to the contrary below, this Agreement shall be governed by and construed in accordance with the internal laws of the State of Maryland applicable to contracts made and to be performed in such state (without regard to principles of conflicts of law applicable under Maryland law and applicable laws of the United States of America); provided, however, that with respect to the provisions hereof which relate to title or the creation, perfection, priority, enforcement or foreclosure of liens on and security interests in or assignments of any of the Property, or as otherwise required by the laws of Michigan, this Agreement shall be governed by the laws of Michigan; it being understood that, to the fullest extent permitted by the laws of Michigan, the laws of the State of Maryland shall govern the validity and enforceability of this Agreement in all instances where the law of Michigan is not specifically made the law applicable to this Agreement.

IN WITNESS WHEREOF, and intending to be legally bound hereby, FRVI has executed this Agreement as of the day and year first above written.

WITNESS:

FOX RUN VILLAGE, INC.

By: _____ (SEAL)
Bruce R. Grindrod, Jr.,
President

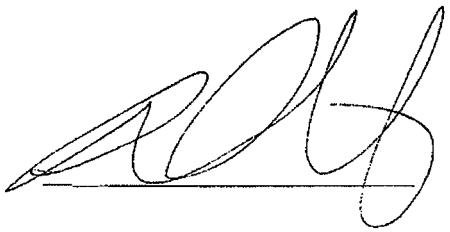
The undersigned consent to and join in the provisions of the foregoing Agreement to the extent of any rights of the undersigned in and to the Curable Documents.

BORROWER:

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC,
Member

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and
Chief Operating Officer



MANAGER:

ERICKSON RETIREMENT COMMUNITIES, LLC

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and
Chief Operating Officer

EXHIBIT 17

"Fox Run Subordination Documents"

1. **"Fox Run Subordination"**: Subordination Agreement
   Creditor: Fox Run Village, Inc.

2. UCC-1 Financing Statement Recorded With The Maryland State Department Of Assessments And Taxation
   (Debtor: Fox Run Village, Inc.; Secured Party: Lender)

3. Assignment Of Community Mortgage Recorded Among The Land Records Of Oakland County, Michigan
   (Assignor: Fox Run Village, Inc.; Assignee: Lender)

Document: 3.6

SUBORDINATION AGREEMENT
(Fox Run Village, Inc.)

THIS SUBORDINATION AGREEMENT (the "**Agreement**") is made as of the 12th day of February, 2002 in favor of **MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY**, a Maryland banking corporation (the "**Lender**"), by **NOVI CAMPUS, LLC**, a Maryland limited liability company (the "**Borrower**"), **ERICKSON RETIREMENT COMMUNITIES, LLC**, a Maryland limited liability company ("**ERC**"), and **ERICKSON GROUP, LLC**, a Maryland limited liability company ("**EG**"). (Erickson and EG being hereinafter collectively referred to as the "**Guarantors**"), and **FOX RUN VILLAGE, INC.**, a Maryland non-profit corporation ("**FRVI**") (FRVI being hereinafter sometimes referred to as the "**Creditor**").

RECITALS

A. The Borrower has requested loans up to $46,000,000 (collectively, the "**Loan**") from the Lender, pursuant to the terms of a Construction Loan Agreement between the Lender and the Borrower dated of even date herewith (the "**Loan Agreement**"). The Loan is evidenced by a Revolving Loan Note from the Borrower dated of even date herewith (the "**Note**"), is guaranteed by the Guarantors pursuant to a Guaranty Agreement of even date herewith (the "**Guaranty**") and is secured by, among other things, a Mortgage (the "**Mortgage**") upon property located in Oakland County, Michigan (the "**Land**") owned by the Borrower. The Borrower intends to use the proceeds of the Loan for construction of a retirement community (the "**Retirement Community**") on the Land. The Land is leased to FRVI by the Borrower, and FRVI has entered into an agreement with Erickson for management of the Retirement Community. As used in this Agreement, (i) the term "**Lender's Obligations**" means all past, present, and future indebtedness, liabilities, and obligations of any nature whatsoever of the Borrower or either of the Guarantors to the Lender in connection with the Loan pursuant to the terms of the Loan Agreement, the Note, the Guaranty and the "**Loan Documents**"; and (ii) the term "Loan Documents" shall have the meaning set forth in the Loan Agreement, and shall include, without limitation, the Loan Agreement, the Note, the Guaranty and the Mortgage. Capitalized terms not defined herein shall have meanings set forth in the Loan Agreement.

B. The Creditor, the Borrower and the Guarantors have various contracts, leases, loans, obligations and credit arrangements among themselves, including, but not limited to, those certain loans to be made by Creditor to the Borrower pursuant to a Community Loan Agreement dated of even date herewith (the "**Community Loan Agreement**") and secured by a Community Mortgage and Security Agreement on the land executed by Borrower in favor of Creditor and dated of even date herewith. As used in this Agreement, (i) the term "**Subordinated Indebtedness**" means all past, present and future indebtedness, liabilities, and obligations of any nature whatsoever, whether characterized as debt, equity or otherwise, and including any and all loan advances, distributions, dividends, returns of capital, preferred equity, fees, loan repayments or any other payments of any kind owing (or otherwise to be made) by the Borrower or any of the Guarantors to the Creditor, whether as a member or otherwise, including, but not limited to,

the obligations contained in the Community Loan Documents (as that term is defined in the Community Loan Agreement); and (ii) the term **"Subordinated Documents"** means collectively any loan agreement, security agreement, deed of trust, mortgage, lease, collateral pledge agreement, stock pledge agreement, assignment, promissory note, guaranty, operating agreement or any other instrument or agreement previously, simultaneously, or hereafter executed and delivered by the Borrower or any other person as evidence of, security for, guarantee for, or in connection with, the Subordinated Indebtedness.

C. As a condition of making the Loan, the Lender has required that the Creditor agree to subordinate its rights under the Subordinated Documents in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Payment Subordination. Any and all amounts or claims of any kind or description now or hereafter owing to the Creditor by the Borrower and/or any of the Guarantors under the Subordinated Documents shall be subordinate to any and all amounts or claims of any kind or description now or hereafter owing to the Lender under the Loan Documents, and the Creditor agrees that all claims of Lender shall be paid in full before any payment may be made on all or any portion of the Subordinated Indebtedness; provided, however, that so long as (a) no Default has occurred and is continuing under the Loan Documents, and (b) no Event of Default has occurred under the Loan Documents, and except as may be otherwise prohibited in the Loan Agreement, the Borrower may (i) make payments to the Creditor when due in accordance with such of the Subordinated Documents listed on Exhibit A which have been approved by the Lender and any others as may be reviewed and approved by the Lender and (ii) make payments to the Creditor for services rendered in the ordinary course of business, and which are not reflected in Subordinated Documents which have been reviewed and approved by the Lender, provided such services are rendered at arms-length charges. Upon the occurrence of a Default which is continuing under the Loan Documents, or upon the occurrence of an Event of Default under the Loan Documents, the Creditor agrees not to bring or take any action to enforce any claim or claims under the Subordinated Documents or to apply any security now or hereafter existing or to sue upon or collect or receive payment of, and the Borrower and the Guarantors agree not to pay to the Creditor, any such claim or claims. All sums received by the Creditor from Borrower or the Guarantors following the occurrence of a Default under the Loan Documents, including (x) payments received from the Borrower and/or the Guarantors under the Subordinated Documents, and/or (y) proceeds realized from the Creditor's exercise of its remedies under the Subordinated Documents, shall be delivered to the Lender to be held by the Lender, if delivered prior to the occurrence of an Event of Default, until an Event of Default has occurred under the Loan Documents, and after the occurrence of an Event of Default to be applied first to the Lender's Obligations; provided that if any sums are delivered to the Lender prior to the cure of a curable Default under the Loan Documents, the Lender shall return such funds to the party entitled thereto after such Default has been cured in accordance with the terms of the Loan Documents and unless another Default or Event of Default shall have occurred in the interim.

2. Lien Subordination. The Creditor further agrees that the Subordinated Documents and all liens and security interests created thereby are and shall be subordinate and inferior to the Loan Documents and all liens and security interests created thereby in favor of the Lender.

3. Collateral Assignment. For the sole purpose of securing the performance by the Creditor of the provisions of this Agreement, the Creditor assigns, pledges, and grants to the Lender a security interest in the Subordinated Indebtedness and all proceeds thereof and in the Subordinated Documents. Upon the request of the Lender, the Creditor shall endorse, assign, and deliver to the Lender in a manner acceptable to the Lender all notes, instruments, and agreements evidencing, securing, guaranteeing, or made in connection with the Subordinated Indebtedness. In the event of the failure of the Creditor to make any such endorsement, assignment, or delivery, the Lender, or any of its officers or employees on behalf of the Lender, is hereby appointed attorney-in-fact of the Creditor and is irrevocably authorized to make the same. The foregoing appointment shall be deemed to be coupled with an interest and shall survive the death or disability of the Creditor.

4. Primacy of the Lender's Claim as Against the Creditor. In any insolvency, receivership, bankruptcy, liquidation, or reorganization proceeding, or any other proceeding, whether voluntary or involuntary, by or against the Borrower or any of the Guarantors under any bankruptcy or insolvency law or other laws relating the relief of debtors, the Lender's claims against the assets of the Borrower and the Guarantors shall be paid in full before any payment is made by or on behalf of the Borrower or any of the Guarantors to the Creditor. The Creditor, the Borrower and the Guarantors agrees that the Lender may collect the Creditor's claims directly from any trustee appointed in such proceeding. The Creditor agrees to furnish all assignments, powers or other documents requested by the Lender to facilitate such direct collection by the Lender.

5. Collection of Claims of the Creditor. The Creditor agrees to pay over to the Lender on account of the claim or claims of the Lender against the Borrower and the Guarantors any funds that may be received by the Creditor from the Borrower and/or the Guarantors, or for or on behalf of the Borrower and/or the Guarantors, at any time the Creditor is not allowed to receive and hold the same under Section 1 of this Agreement. The Creditor further agrees not to sell, assign, transfer, or endorse any of its claims under the Subordinated Documents or any of its interests in and to the Subordinated Indebtedness to anyone without the prior written consent of the Lender, and not to join in any petition of bankruptcy or any assignment for the benefit of creditors, or any creditors' agreements, or to take any lien or security on any of the Borrower's or Guarantors' property at any time (other than any liens or security taken as of the date hereof).

6. Continuance of Agreement. This Subordination Agreement and the obligations of the Creditor, the Borrower and the Guarantors and the rights and privileges of the Lender hereunder shall continue until payment in full of all amounts due under the Loan Documents.

7. Waiver. The Lender shall have uncontrolled power and discretion, without notice to the Creditor, to deal in any manner with any indebtedness, liability, interest, costs and

expenses payable by the Borrower and/or the Guarantors to the Lender and any security and guarantees therefor, including but not limited to release, surrender, extension, renewal, acceleration, compromise, or substitution. The Creditor hereby waives and agrees not to assert against the Lender any rights which a guarantor or surety could exercise, but nothing in this Agreement shall cause the Creditor to be deemed a guarantor or surety.

8. Prepayment; Revision of Payment Terms. The Creditor shall not accept any prepayment, in whole or in part, of any amounts due to them in connection with the Subordinated Indebtedness and shall not revise the payment terms under the Subordinated Documents without the prior written consent of the Lender.

9. Notice. The Creditor agrees to notify the Lender within ten (10) days after the occurrence of any breach or default under the Subordinated Documents.

10. Insolvency. The insolvency or bankruptcy of the Borrower or any of the Guarantors shall not affect this Subordination Agreement and the same shall remain in full force and effect and shall constitute an assignment by the Creditor to the Lender of any funds or property payable to the Creditor from the Borrower's and/or the Guarantors' assets not previously assigned to the Lender.

11. Effect of Agreement. To the extent that any of the provisions contained herein are inconsistent with any provisions of the Subordinated Documents, the provisions contained in this Subordination Agreement shall govern.

12. Maryland Law. This Subordination Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the granting, perfection and enforcement of security interest in collateral, the law of the jurisdiction where the collateral is located (or which otherwise applies to security interest in the collateral) shall govern.

13. Agreement of Borrower and Guarantors. The Borrower and Guarantors join in this Agreement to evidence their consent hereto and agree to be bound by the terms hereof. The Borrower and Guarantors shall not take any action which would violate the provisions of this Agreement.

14. Counterparts. This document may be executed in Counterparts.

IN WITNESS WHEREOF, and intending to be legally bound, the parties have executed this Subordination Agreement as of the date set forth above.

WITNESS:

LENDER:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____ (SEAL)
Bruce D. McLean,
Senior Vice President

BORROWER:

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Member

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and Chief Operating Officer

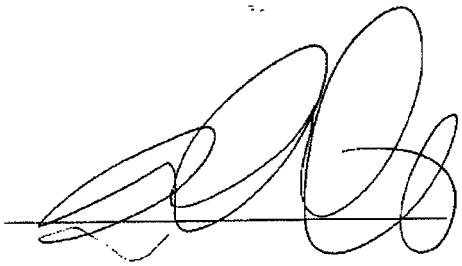
GUARANTORS:

ERICKSON RETIREMENT COMMUNITIES, LLC

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and Chief Operating Officer

ERICKSON GROUP, LLC

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President



CREDITOR:

FOX RUN VILLAGE, INC.

By: _____ (SEAL)
Bruce R. Grindrod, Jr.
President

EXHIBIT A

"Subordinated Documents which have been approved by the Lender"

1. Community Loan Agreement dated February, 2002 between Fox Run Village, Inc. as lender, and Novi Campus, LLC, as borrower, and related loan documents.

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0000838286
WORK ORDER:0000567918
DATE:03-20-2002 09:55 AM
AMT. PAID:$140.00

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Fran Glushakow-Smith, Esquire (410) 528-5508

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Fran Glushakow-Smith, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: Fox Run Village, Inc.					
OR 1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX		
1c. MAILING ADDRESS: 701 Maiden Choice Lane	CITY: Baltimore	STATE: MD	POSTAL CODE: 21228	COUNTRY: USA	
1d. TAX ID #: SSN OR EIN: 52-2291271	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION: corporation	1f. JURISDICTION OF ORGANIZATION: Maryland	1g. ORGANIZATIONAL ID #, if any: MD D06083463 ☐ NONE	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME					
OR 2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX		
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY	
2d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any ☐ NONE	

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company					
OR 3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX		
3c. MAILING ADDRESS: Two Hopkins Plaza	CITY: Baltimore	STATE: MD	POSTAL CODE: 21201	COUNTRY: USA	

4. This FINANCING STATEMENT covers the following collateral:

All past, present and future indebtedness, liabilities, and obligations of any nature whatsoever, whether characterized as debt, equity or otherwise, and including any and all distributions, dividends, returns of capital, preferred equity, fees, loan repayments or any other payments of any kind owing (or otherwise to be made) by Novi Campus, LLC, a Maryland limited liability company (the "Borrower"), or Erickson Retirement Communities, LLC, a Maryland limited liability company ("ERC") and Erickson Group, LLC, a Maryland limited liability company ("EG", and, together with ERC, the "Guarantors") to the Debtor, whether as a member or otherwise, including, but not limited to, the obligations contained in the Loan Documents (as the term is defined in the Community Loan Agreement, dated as of February 11, 2002, by and between the Debtor and the Borrower (collectively, the "Subordinated Indebtedness") and all proceeds thereof and in any loan agreement, security agreement, deed of trust, mortgage, lease, collateral pledge agreement, stock pledge agreement, assignment, promissory note, guaranty, operating agreement or any other instrument or agreement previously, simultaneously, or hereafter executed and delivered by the Borrower, or any other person as evidence of, security for, guarantee for, or in connection with, the Subordinated Indebtedness.

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [optional] (ADDITIONAL FEE) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA
File with: State Department of Assessments and Taxation of Maryland

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)
UCCNAT - 5/14/01 C T System Online

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 2 page document on file in this office. DATED: 3-20-02.

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

205-968

UCC APPROVAL SHEET
** KEEP WITH DOCUMENT **

TRANSACTION TYPE		FEES REMITTED
✓	UO - Original Financing Statement	$20.00
___	UOA - Original Financing Statement With Assignment	$20.00
___	UOTU - Original Financing Statement Transmitting Utility	$20.00
___	UMA - Amendment	$20.00
___	UMDA - Amendment - Debtor Added	$20.00
___	UMDC - Amendment - Debtor Name Change	$20.00
___	UMDD - Amendment - Debtor Deleted	$20.00
___	UMSA - Amendment - Secured Party Added	$20.00
___	UMSC - Amendment - Secured Party Name Change	$20.00
___	UMSD - Amendment - Secured Party Deleted	$20.00
___	UMC - Amendment - Continuation	$20.00
___	UMT - Amendment - Termination	$20.00
___	UMZ - Amendment - Assignment	$20.00
___	UMZP - Amendment - Partial Assignment	$20.00
___	UMCS - Amendment - Correction Statement	$20.00
___	UOMH - Manufactured Home - Original Financing Statement	$20.00
___	UOPF - Public Finance - Original Financing Statement	$20.00
___	Documents Nine (9) Pages or More	$75.00
___	Certified Copies	
___	Plain Copies	

TOTAL FEES: 20

1000361986789331

RECORDED ON 03/19/2002 AT 11:27 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0000567918 ACK # 1000361986789331
ORIGINAL FILE NUMBER: 0000000181112854
LIBER: U00205 FOLIO: 0986 PAGES: 0002
RECORDING FEE: 20.00
RECORDATION TAX: 0.00
EXPEDITED FEE: 0.00

___ Other Change(s)

Code ___

Attention: ___

Mail to Address:

NO FEE TRANSACTION TYPES

___ URC - Copies
___ UNCP - Void - Non-Payment
___ UCC - Cancellation
___ UCR - Reinstatement
___ UCO Departmental Action
___ UCREF - Refund Recordation Tax
___ UCIS - Incorrect ID Number
___ XOVRU - UCC Overrides
___ UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

Cash ___ Check ✓ Credit Card ___

Number of Checks 1

COMMENT(S):

Stamp Work Order and Customer Number HERE

CUST ID:0000038286
WORK ORDER:0000567918
DATE:03-20-2002 09:56 AM
AMT. PAID:$140.00

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001927944
WORK ORDER:0001370982
DATE:03-07-2007 09:07 AM
AMT. PAID:$525.00

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
Jamie M
B. SEN

The Corporation Trust Incorporated
300 E. Lombard Street, Suite 1400
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
181112854

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☒ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. ☐ AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of the two boxes.
Also check one of the following thee boxes and provide appropriate information in item 6 and/or 7.
☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.
☐ DELETE name: Give record name to be deleted in item 6a or 6b.
☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:
6a. ORGANIZATION'S NAME
Fox Run Village, Inc.
OR
6b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:
7a. ORGANIZATION'S NAME
OR
7b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX
7c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY
USA
7d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 7e. TYPE OF ORGANIZATION | 7f. JURISDICTION OF ORGANIZATION | 7G. ORGANIZATIONAL ID #, if any ☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

RECEIVED
DEPARTMENT OF
ASSESSMENTS & TAXATION
2007 MAR -6 P 3:5

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.
9a. ORGANIZATION'S NAME
Mercantile-Safe Deposit and Trust Company
OR
9b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

10. OPTIONAL FILER REFERENCE DATA
File in Maryland SDAT
Matter No. 890412

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/29/98)
DMEAST #9738988 v1
B6869537SU

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 2-page document on file in this office. DATED: 2-27-07

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

504-98

UCC APPROVAL SHEET

** EXPEDITED SERVICE ** ** KEEP WITH DOCUMENT **

TRANSACTION TYPE		FEES REMITTED
✓	Expedited Fee	$50.00
___	UO - Original Financing Statement	$25.00
___	UOA - Original Financing Statement With Assignment	$25.00
___	UOTU - Original Financing Statement Transmitting Utility	$25.00
___	UMA - Amendment	$25.00
___	UMDA - Amendment - Debtor Added	$25.00
___	UMDC - Amendment - Debtor Name Change	$25.00
___	UMDD - Amendment - Debtor Deleted	$25.00
___	UMSA - Amendment - Secured Party Added	$25.00
___	UMSC - Amendment - Secured Party Name Change	$25.00
___	UMSD - Amendment - Secured Party Deleted	$25.00
✓	UMC - Amendment - Continuation	$25.00
___	UMT - Amendment - Termination	$25.00
___	UMZ - Amendment - Assignment	$25.00
___	UMZP - Amendment - Partial Assignment	$25.00
___	UMCS - Amendment - Correction Statement	$25.00
___	UOMH - Manufactured Home - Original Financing Statement	$25.00
___	UOPF - Public Finance - Original Financing Statement	$25.00
___	Documents Nine (9) Pages or More	$75.00
___	Certified Copies	
___	Plain Copies	

TOTAL FEES: $75.00

1000361994420614

RECORDED ON 03/06/2007 AT 03:59 PM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001370982 ACK # 1000361994420614
ORIGINAL FILE NUMBER: 0000000181112854
LIBER: U00504 FOLIO: 0098 PAGES: 0002

_____ Other Change(s)

Code _____

Attention: _____

Mail to Address:

THE CORPORATION TRUST INCORPORATED
300 E LOMBARD ST., SUITE 1400
BALTIMORE MD 21202

NO FEE TRANSACTION TYPES

___ URC - Copies
___ UNCP - Void - Non-Payment
___ UCC - Cancellation
___ UCR - Reinstatement
___ UCO Departmental Action
___ UCREF - Refund Recordation Tax
___ UCIS - Incorrect ID Number
___ XOVRU - UCC Overrides
___ UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

Cash _____ Check ✓ Credit Card _____

Number of Checks _____

COMMENT(S):

Stamp Work Order and Customer Number HERE

CUST ID:0001927944
WORK ORDER:0001370982
DATE:03-07-2007 09:07 AM
AMT. PAID:$525.00

Bank Of America - CD#13 - Control ID#1133

LIBER26064PAGE454

295084
LIBER 26064 PAGE 454
$13.00 MISC RECORDING
$2.00 REMONUMENTATION
07/11/2002 12:21:03 P.M. RECEIPT# 57701
PAID RECORDED - OAKLAND COUNTY
G. WILLIAM CADDELL, CLERK/REGISTER OF DEEDS

Document: 3.9

ASSIGNMENT OF COMMUNITY MORTGAGE

THIS ASSIGNMENT OF COMMUNITY MORTGAGE (this "**Assignment**") given as of the 12th day of February, 2002, by FOX RUN VILLAGE, INC. a non-profit Maryland corporation ("**FRVI**") to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (the "**Lender**").

RECITALS

WHEREAS, FRVI is the Mortgagee named in that certain Community Mortgage dated of even date herewith by and between Novi Campus, LLC, a Maryland limited liability company ("**Novi**") as mortgagor and FRVI, as mortgagee (the "**Junior Mortgage**"), which Junior Mortgage is recorded in the Office of the Clerk in and for Oakland County, Michigan in Mortgage Book ___, at Page ___; and

E10431B

WHEREAS, pursuant to a Subordination Agreement of even date herewith (the "**Subordination Agreement**") FRVI has agreed to subordinate payment under the notes and other obligations referred to in the Junior Mortgage (the "**Subordinated Indebtedness**") to payment of certain loans made by Lender to Novi, in the maximum principal amount of Forty-Six Million Dollars ($46,000,000) and which are evidenced by a Revolving Loan Note from Novi to the Lender of even date herewith (the "**Note**"); and

WHEREAS, Novi has secured its obligations in connection with the Note by, among other things, a Mortgage of even date herewith by and between Novi and the Lender (the "**Senior Mortgage**"), which Senior Mortgage is recorded in the Office of the Clerk in and for Oakland County, Michigan in Mortgage Book 26043, at Page 7116; and on 7/9/02

WHEREAS, as collateral for its obligations under the Subordination Agreement, FRVI has pledged and granted to Lender a security interest in the Subordinated Indebtedness; and

WHEREAS, the parties now desire to record this Assignment to evidence the fact that Lender is holder of the Subordinated Indebtedness and all rights related thereto, including all rights under the Junior Mortgage.

11
GT

NOW, THEREFORE, THIS ASSIGNMENT WITNESSETH, that for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby stipulate and agree as follows:

1. FRVI has transferred, assigned, granted and conveyed to Lender, and by these presents hereby confirms the transfer, assignment, grant and conveyance of, all interest of FRVI in and under the Junior Mortgage, as the mortgagee thereof and thereunder.

2. Upon full payment of the Note, and the performance of all other obligations owing to the Lender under the Loan Documents described in the Senior Mortgage, Lender will retransfer, reassign, regrant and reconvey to FRVI all interests in, to and under the Junior Mortgage.

1300
1320

O.K. - LG

GRECO

3. Except as provided to the contrary below, this Assignment shall be governed by and construed in accordance with the internal laws of the State of Maryland applicable to contracts made and to be performed in such state (without regard to principles of conflicts of law applicable under Maryland law and applicable laws of the United States of America); provided, however, that with respect to the provisions hereof which relate to title or the creation, perfection, priority, enforcement or foreclosure of liens on and security interests in or assignments of any of the Property, or as otherwise required by the laws of Michigan, this Assignment shall be governed by the laws of Michigan; it being understood that, to the fullest extent permitted by the laws of Michigan, the laws of the State of Maryland shall govern the validity and enforceability of this Assignment in all instances where the law of Michigan is not specifically made the law applicable to this Assignment.

WITNESS the following hands and seals.

WITNESS:

FOX RUN VILLAGE, INC.

By: _____ (SEAL)
Bruce R. Grindrod, Jr.
President

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____ (SEAL)
Bruce D. McLean
Senior Vice President

ACKNOWLEDGEMENTS

STATE OF MARYLAND, CITY/COUNTY OF Baltimore, to wit:

I HEREBY CERTIFY, that on this 12th day of February 2002, before me, the undersigned Notary Public of the State of Maryland, personally appeared BRUCE R. GRINDROD, JR., President of Fox Run Village, Inc., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, who signed the same in my presence, acknowledged that the foregoing instrument is his act in his capacity as President of Fox Run Village, Inc., and that he executed the same as President of Fox Run Village, Inc. for the purposes contained therein.

WITNESS my hand and official seal.

Christine C. Furr (SEAL)
Notary Public

CHRISTINE C. FURR NOTARY PUBLIC HOWARD COUNTY, MD.

My Commission Expires:

CHRISTINE C. FURR
Notary Public
Howard County, Maryland
My Commission Expires Nov. 15, 2005

STATE OF MARYLAND, ~~CITY~~/COUNTY OF Baltimore, to wit:

I HEREBY CERTIFY, that on this 12th day of February 2002, before me, the undersigned Notary Public of the State of Maryland, personally appeared Bruce D. McLean, Senior Vice President of Mercantile-Safe Deposit and Trust Company ("Mercantile"), known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, who signed the same in my presence, acknowledged that the foregoing instrument is his act in his capacity as Senior Vice President of Mercantile, and that he executed the same as Senior Vice President of Mercantile for the purposes contained therein.

WITNESS my hand and official seal.

[illegible] (SEAL)
Notary Public

CHRISTINE M. BROOKS NOTARY PUBLIC 03-09-2004 BALTIMORE COUNTY, MD.

My Commission Expires:

CHRISTINE M. BROOKS
Notary Public
Baltimore County, Maryland
My Commission Expires June 9, 2004

Return To: Mercantile-Safe Deposit and Trust Co.
2 Hopkins Plaza
Baltimore, Md. 21201

EXHIBIT A

Legal Description

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

22-01-300[001]013

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

22-01-300[003]013

PARCEL 3:

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

21-01-300[001]013

PARCEL 4:

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

21-01-300[009]013

CERTIFICATE OF COPY OF RECORD
STATE OF MICHIGAN
COUNTY OF OAKLAND

I, Ruth Johnson, Register of Deeds for Oakland County, certify that I have compared the attached copy with the original record on file, and it is a true and correct transcript of the original record in Liber 40404 Page(s) 454 - 457
in testimony whereof, I have set my hand and affixed the seal of REGISTER OF DEEDS on 9-21-09.

By: Carolyne A. Barnhart
DEPUTY CLERK Carolyne A. Barnhart

Per PA #53, effective 9-6-07

EXHIBIT 16

"Bank Branch Agreement"

Agreement Regarding Bank Branch

Document: 7.11

AGREEMENT REGARDING BANK BRANCH

For Value Received, Fox Run Village, Inc., a Maryland non-profit corporation ("FRVI") agrees that Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation (the "Lender") and its affiliates and/or correspondents shall have the exclusive right to operate any bank branch at Fox Run Village Retirement Community (the "Retirement Community") through the fifth (5th) anniversary of the date on which space within the Retirement Community in which the Lender may operate such branch (a "Bank Branch Space") has been subjected to the lease between FRVI and Novi Campus, LLC, a Maryland limited liability company ("NC") and is available for occupancy, or on such earlier date as the Lender notifies FRVI or NC in writing that the Lender has decided not to operate such branch. The rights of the Lender (and its affiliates and correspondents) with respect to any particular Bank Branch space shall terminate if (a) the Lender, its affiliates and correspondents, fail to enter into a lease for such Bank Branch Space (for a term to begin upon such date the Bank Branch Space becomes available for occupancy) within thirty (30) days after written notice from FRVI or NC, issued not sooner than one hundred eighty (180) days prior to the date on which the Bank Branch Space will be subjected to the lease between FRVI and NC and will be available for occupancy, at a rate and on terms acceptable to the Borrower, and (b) the Borrower enters into a lease for such Bank Branch Space (for a term to begin upon the date such Bank Branch Space becomes available for occupancy) at a rate and on terms as favorable or more favorable to the Borrower than the rates and terms last offered by the Borrower to the Lender, its affiliates and correspondents.

Except as provided to the contrary below, this Agreement Regarding Bank Branch (this "Agreement") shall be governed by and construed in accordance with the internal laws of the State of Maryland applicable to contracts made and to be performed in such state (without regard to principles of conflicts of law applicable under Maryland law and applicable laws of the United States of America); provided, however, that with respect to the provisions hereof which relate to title or the creation, perfection, priority, enforcement or foreclosure of liens on and security interests in or assignments of any of the Property, or as otherwise required by the laws of Michigan, this Agreement shall be governed by the laws of Michigan; it being understood that, to the fullest extent permitted by the laws of Michigan, the laws of the State of Maryland shall govern the validity and enforceability of this Agreement in all instances where the law of Michigan is not specifically made the law applicable to this Agreement.

WITNESS

FOX RUN VILLAGE, INC.

By: _____ (SEAL)
Bruce R. Grindrod, Jr.
President

Date: February 12 , 2002

EXHIBIT 15

"Fox Run Consent"

Consent Of Fox Run Village, Inc.

Document 2.16

CONSENT OF FOX RUN VILLAGE, INC.

FOR VALUE RECEIVED, FOX RUN VILLAGE, INC., a Maryland non-profit corporation ("**FRVI**"), hereby consents to any and all grants of security interests by Novi Campus, LLC, a Maryland limited liability company (the "**Borrower**") to Mercantile-Safe Deposit and Trust Company, a Maryland banking institution (the "**Lender**"), in and to any and all assets of the Borrower, including all obligations and all liens and security interests securing all obligations owing to or in favor of the Borrower and payable or granted by FRVI. This Consent is specifically intended to include all rights granted to the Lender by the Borrower in a Security Agreement, Pledge and Collateral Assignment of Licenses and Residence and Care Agreements of even date herewith (the "**Security Agreement**"), on the terms contained therein, which Security Agreement includes as collateral all obligations of FRVI to the Borrower under a Community Loan Agreement (and related documents), a Working Capital Loan Agreement (and related documents) and a Master Lease and Use Agreement all dated as of February 12, 2002. FRVI waives the provisions of any agreement which would prevent or condition the granting of security interests by the Borrower to the Lender with respect to any obligations, or collateral for obligations, owing by FRVI to the Borrower.

Except as provided to the contrary below, this Consent of Fox Run Village, Inc. (this "Consent") shall be governed by and construed in accordance with the internal laws of the State of Maryland applicable to contracts made and to be performed in such state (without regard to principles of conflicts of law applicable under Maryland law and applicable laws of the United States of America); provided, however, that with respect to the provisions hereof which relate to title or the creation, perfection, priority, enforcement or foreclosure of liens on and security interests in or assignments of any of the Property, or as otherwise required by the laws of Michigan, this Consent shall be governed by the laws of Michigan; it being understood that, to the fullest extent permitted by the laws of Michigan, the laws of the State of Maryland shall govern the validity and enforceability of this Consent in all instances where the law of Michigan is not specifically made the law applicable to this Consent.

WITNESS:

FOX RUN VILLAGE, INC.

BY: _____ (SEAL)
Name: Bruce R. Grindrod, Jr.
Title: President

DATE: February 12, 2002

EXHIBIT 14

"Erickson Affiliates Subordination Documents"

1. **"Erickson Affiliates Subordination"**: Subordination Agreement

   Creditors: **"Erickson Affiliates"**: John C. Erickson, Nancy A. Erickson Senior Living Limited Partnership, J&N Nevada Holding, Inc., and JCE Holding Corp.

2. UCC-1 Financing Statement Recorded With The Maryland State Department Of Assessments And Taxation – Debtors: John C. Erickson and Nancy A. Erickson

3. UCC-1 Financing Statement Recorded With The Florida State Secured Transactions Registry – Debtors: John C. Erickson and Nancy A. Erickson

4. UCC-1 Financing Statement Recorded With The Nevada Secretary Of State – Debtors: Senior Living Limited Partnership And J&N Nevada Holding, Inc.

5. UCC-1 Financing Statement Recorded With The Maryland State Department Of Assessments And Taxation: – Debtor: JCE Holding Corp.

Document: 3.2

SUBORDINATION AGREEMENT
(John and Nancy Erickson
and Related Entities)

THIS SUBORDINATION AGREEMENT (the "Agreement") is made as of the 12th day of February, 2002 in favor of **MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY**, a Maryland banking corporation (the "Lender"), by **NOVI CAMPUS, LLC**, a Maryland limited liability company (the "Borrower"), **ERICKSON RETIREMENT COMMUNITIES, LLC**, a Maryland limited liability company ("ERC"), **ERICKSON GROUP, LLC**, a Maryland limited liability company ("EG") (**ERC** and **EG** being hereinafter collectively referred to as the "Guarantors"), and **JOHN C. ERICKSON** and **NANCY A. ERICKSON**, residents of West Palm Beach, Florida, **SENIOR LIVING LIMITED PARTNERSHIP**, a Nevada limited partnership; **J & N NEVADA HOLDING, INC.**, a Nevada corporation; and **JCE HOLDING CORP.**, a Maryland corporation (collectively, the "Creditors").

RECITALS

A. The Borrower has requested loans up to $46,000,000 (collectively, the "Loan") from the Lender, pursuant to the terms of a Construction Loan Agreement between the Lender and the Borrower dated of even date herewith (the "Loan Agreement"). The Loan is evidenced by a Revolving Loan Note from the Borrower dated of even date herewith (the "Note"), is guaranteed by the Guarantors pursuant to a Guaranty Agreement of even date herewith (the "Guaranty") and is secured by, among other things, a Mortgage (the "Mortgage") upon property located in Novi, Oakland County, Michigan (the "Land") owned by the Borrower. The Borrower intends to use the proceeds of the Loan to fund the construction of a retirement community (the "Retirement Community") on the Land. The Land is leased to Fox Run Village, Inc., a Maryland non-profit corporation ("FRVI") by the Borrower, and FRVI has entered into an agreement with ERC for management of the Retirement Community. Construction management services with respect to the Retirement Community will be provided by Erickson Construction, LLC, a Maryland limited liability company, pursuant to an agreement with ERC. As used in this Agreement, (i) the term "Lender's Obligations" means all past, present, and future indebtedness, liabilities, and obligations of any nature whatsoever of the Borrower or any of the Guarantors to the Lender in connection with the Loan pursuant to the terms of the Loan Agreement, the Note, the Guaranty and the "Loan Documents"; and (ii) the term "Loan Documents" shall have the meaning set forth in the Loan Agreement, and shall include, without limitation, the Loan Agreement, the Note, the Guaranty and the Mortgage. Capitalized terms not defined herein shall have meanings set forth in the Loan Agreement.

B. The Creditors, the Borrower and the Guarantors have various contracts, leases, loans, obligations and credit arrangements among themselves. As used in this Agreement, (i) the term "Subordinated Indebtedness" means all past, present and future indebtedness, liabilities, and obligations of any nature whatsoever, whether characterized as debt, equity or otherwise, and including any and all distributions, dividends, returns of capital, preferred equity, fees, loan repayments or any other payments of any kind owing (or otherwise to be made) by the Borrower

or any of the Guarantors to any of the Creditors, whether as a member or otherwise; and (ii) the term "Subordinated Documents" means collectively any loan agreement, security agreement, deed of trust, mortgage, lease, collateral pledge agreement, stock pledge agreement, assignment, promissory note, guaranty, operating agreement or any other instrument or agreement previously, simultaneously, or hereafter executed and delivered by the Borrower, or any other person as evidence of, security for, guarantee for, or in connection with, the Subordinated Indebtedness.

C. As a condition of making the Loan, the Lender has required that the Creditors agree to subordinate their rights under the Subordinated Documents in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Payment Subordination. Any and all amounts or claims of any kind or description now or hereafter owing to the Creditors by the Borrower and/or any of the Guarantors under the Subordinated Documents shall be subordinate to any and all amounts or claims of any kind or description now or hereafter owing to the Lender under the Loan Documents, and the Creditors agree that all claims of Lender shall be paid in full before any payment may be made on all or any portion of the Subordinated Indebtedness; provided, however, that so long as (a) no Default has occurred and is continuing under the Loan Documents, and (b) no Event of Default has occurred under the Loan Documents, and except as may be otherwise prohibited in the Loan Agreement, the Borrower may make payments when due in accordance with such of the Subordinated Documents listed on Exhibit A which have been approved by the Lender and any others as may be reviewed and approved by the Lender after the date hereof, in writing. Upon the occurrence of a Default which is continuing under the Loan Documents, or upon the occurrence of an Event of Default under the Loan Documents, the Creditors agree not to bring or take any action to enforce any claim or claims under the Subordinated Documents or to apply any security now or hereafter existing or to sue upon or collect or receive payment of, and the Borrower and the Guarantors agree not to pay to any of the Creditors, any such claim or claims. All sums received by the Creditors from the Borrower or Guarantors following the occurrence of a Default under the Loan Documents, including (x) payments received from the Borrower and/or the Guarantors under the Subordinated Documents, and/or (y) proceeds realized from the Creditors' exercise of their remedies under the Subordinated Documents, shall be delivered to the Lender to be held by the Lender, if delivered prior to the occurrence of an Event of Default, until an Event of Default has occurred under the Loan Documents, and after the occurrence of an Event of Default to be applied first to the Lender's Obligations; provided that if any sums are delivered to the Lender prior to the cure of a curable Default under the Loan Documents, the Lender shall return such funds to the party entitled thereto after such Default has been cured in accordance with the terms of the Loan Documents and unless another Default or Event of Default shall have occurred in the interim.

2. Lien Subordination. The Creditors further agree that the Subordinated Documents and all liens and security interests created thereby are and shall be subordinate and inferior to the Loan Documents and all liens and security interests created thereby in favor of the Lender.

3. Collateral Assignment. For the sole purpose of securing the performance by the Creditors of the provisions of this Agreement, the Creditors assign, pledge, and grant to the Lender a security interest in the Subordinated Indebtedness and all proceeds thereof and in the Subordinated Documents. Upon the request of the Lender, the Creditors shall endorse, assign, and deliver to the Lender in a manner acceptable to the Lender all notes, instruments, and agreements evidencing, securing, guaranteeing, or made in connection with the Subordinated Indebtedness. In the event of the failure of any of the Creditors to make any such endorsement, assignment, or delivery, the Lender, or any of its officers or employees on behalf of the Lender, is hereby appointed attorney-in-fact of the Creditors and is irrevocably authorized to make the same. The foregoing appointment shall be deemed to be coupled with an interest and shall survive the death or disability of any of the Creditors.

4. Primacy of the Lender's Claim as Against the Creditors. In any insolvency, receivership, bankruptcy, liquidation, or reorganization proceeding, or any other proceeding, whether voluntary or involuntary, by or against the Borrower or any of the Guarantors under any bankruptcy or insolvency law or other laws relating the relief of debtors, the Lender's claims against the assets of the Borrower and the Guarantors shall be paid in full before any payment is made by or on behalf of the Borrower or any of the Guarantors to any of the Creditors. The Creditors, the Borrower and the Guarantors agree that the Lender may collect the Creditors' claims directly from any trustee appointed in such proceeding. The Creditors agree to furnish all assignments, powers or other documents requested by the Lender to facilitate such direct collection by the Lender.

5. Collection of Claims of the Creditors. The Creditors agree to pay over to the Lender on account of the claim or claims of the Lender against the Borrower and the Guarantors any funds that may be received by any of the Creditors from the Borrower and/or the Guarantors, or for or on behalf of the Borrower and/or the Guarantors, at any time the Creditors are not allowed to receive and hold the same under Section 1 of this Agreement. The Creditors further agree not to sell, assign, transfer, or endorse any of their claims under the Subordinated Documents or any of their interests in and to the Subordinated Indebtedness to anyone without the prior written consent of the Lender, and not to join in any petition of bankruptcy or any assignment for the benefit of creditors, or any creditors' agreements, or to take any lien or security on any of the Borrower's or Guarantors' property at any time (other than any liens or security taken as of the date hereof).

6. Continuance of Agreement. This Subordination Agreement and the obligations of the Creditors, the Borrower and the Guarantors and the rights and privileges of the Lender hereunder shall continue until payment in full of all amounts due under the Loan Documents.

7. Waiver. The Lender shall have uncontrolled power and discretion, without notice to the Creditors, to deal in any manner with any indebtedness, liability, interest, costs and expenses payable by the Borrower and/or the Guarantors to the Lender and any security and guarantees therefor, including but not limited to release, surrender, extension, renewal, acceleration, compromise, or substitution. The Creditors hereby waive and agree not to assert against the Lender any rights which a guarantor or surety could exercise, but nothing in this Agreement shall cause the Creditors to be deemed a guarantor or surety.

8. Prepayment; Revision of Payment Terms. The Creditors shall not accept any prepayment, in whole or in part, of any amounts due to them in connection with the Subordinated Indebtedness and shall not revise the payment terms under the Subordinated Documents without the prior written consent of the Lender.

9. Notice. The Creditors agree to notify the Lender within ten (10) days after the occurrence of any breach or default under the Subordinated Documents.

10. Insolvency. The insolvency or bankruptcy of the Borrower or any of the Guarantors shall not affect this Subordination Agreement and the same shall remain in full force and effect and shall constitute an assignment by the Creditors to the Lender of any funds or property payable to the Creditors from the Borrower's and/or the Guarantors' assets not previously assigned to the Lender.

11. Effect of Agreement. To the extent that any of the provisions contained herein are inconsistent with any provisions of the Subordinated Documents, the provisions contained in this Subordination Agreement shall govern.

12. Maryland Law. This Subordination Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the granting, perfection and enforcement of security interest in collateral, the law of the jurisdiction where the collateral is located (or which otherwise applies to security interest in the collateral) shall govern.

13. Counterparts. This document may be executed in Counterparts.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, and intending to be legally bound, the parties have executed this Subordination Agreement as of the date set forth above.

WITNESS:

LENDER:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____ (SEAL)
Bruce D. McLean,
Senior Vice President

BORROWER:

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Member

By: _____ (SEAL)
Jeffrey A. Jacobson,
Senior Vice President

GUARANTORS:

ERICKSON RETIREMENT COMMUNITIES, LLC

By: _____ (SEAL)
Jeffrey A. Jacobson,
Senior Vice President

ERICKSON GROUP, LLC

By: _____ (SEAL)
Jeffrey A. Jacobson,
Senior Vice President

CREDITORS:

_____(SEAL)
John C. Erickson

_____(SEAL)
Nancy A. Erickson

SENIOR LIVING LIMITED PARTNERSHIP

By:_____(SEAL)
Paul L. Erickson, Trustee of the Irrevocable Trust of John C. Erickson u/a dated December 31, 1997, Its General Partner

J & N NEVADA HOLDING, INC.

By:_____(SEAL)
John C. Erickson,
President

JCE HOLDING CORP.

By:_____(SEAL)
John C. Erickson,
President

Bank Of America - CD#13 - Control ID#1133

CREDITORS:

_____ _____(SEAL)
John C. Erickson

_____ _____(SEAL)
Nancy A. Erickson

SENIOR LIVING LIMITED PARTNERSHIP

_____ By: _____, Trustee (SEAL)
Paul L. Erickson, Trustee of the Irrevocable Trust of John C. Erickson u/a dated December 31, 1997, Its General Partner

J & N NEVADA HOLDING, INC.

_____ By:_____(SEAL)
John C. Erickson,
President

JCE HOLDING CORP.

_____ By:_____(SEAL)
John C. Erickson,
President

EXHIBIT A

"Subordinated Documents which have been approved by the Lender"

1. Employment Agreement of John Erickson, as acknowledged by letter dated October 8, 1998 by Bruce D. McLean to Jeffrey A. Jacobson (copy attached hereto).

2. Erickson Retirement Communities, LLC Third Amended and Restated Operating Agreement dated June 18, 1999.

5 2

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0000838286
WORK ORDER:0000567918
DATE:03-20-2002 09:55 AM
AMT. PAID:$140.00

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Fran Glushakow-Smith, Esquire (410) 528-5508

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Fran Glushakow-Smith, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

OR

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
Erickson	John	C.	

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
701 Maiden Choice Lane	Baltimore	MD	21228	USA

1d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any
410-64-4180				☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
Erickson	Nancy	A.	

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
701 Maiden Choice Lane	Baltimore	MD	21228	USA

2d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any
291-42-5684				☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
Mercantile-Safe Deposit and Trust Company

OR

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza	Baltimore	MD	21201	USA

4. This FINANCING STATEMENT covers the following collateral:

All past, present and future indebtedness, liabilities, and obligations of any nature whatsoever, whether characterized as debt, equity or otherwise, and including any and all distributions, dividends, returns of capital, preferred equity, fees, loan repayments or any other payments of any kind owing (or otherwise to be made) by Novi Campus, LLC, a Maryland limited liability company (the "Borrower"), or Erickson Retirement Communities, LLC, a Maryland limited liability company ("ERC") and Erickson Group, LLC, a Maryland limited liability company ("EG", and, together with ERC, the "Guarantors") to any of the Debtors, whether as a member or otherwise (collectively, the "Subordinated Indebtedness") and all proceeds thereof and in any loan agreement, security agreement, deed of trust, mortgage, lease, collateral pledge agreement, stock pledge agreement, assignment, promissory note, guaranty, operating agreement or any other instrument or agreement previously, simultaneously, or hereafter executed and delivered by the Borrower, or any other person as evidence of, security for, guarantee for, or in connection with, the Subordinated Indebtedness (collectively, the "Subordinated Documents").

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [If applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2
[ADDITIONAL FEE]

8. OPTIONAL FILER REFERENCE DATA
File with: State Department of Assessments and Taxation of Maryland

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)
UCCNAT- 5/14/01 C T System Online

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 2 page document on file in this office. DATED: 2-27-02.

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

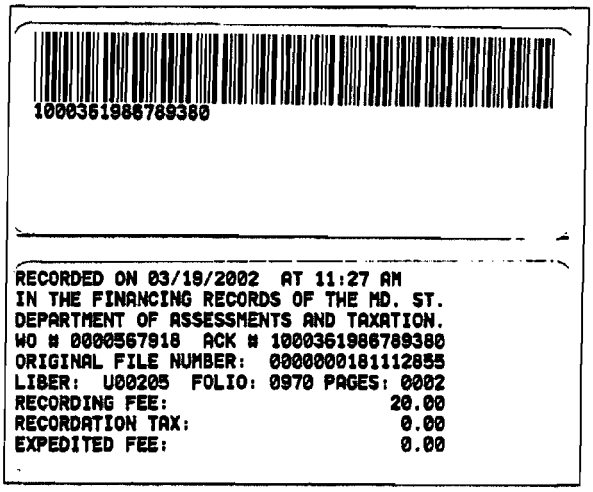
This stamp replaces our previous certification system. Effective: 6/95

205-970

UCC APPROVAL SHEET
** KEEP WITH DOCUMENT **

TRANSACTION TYPE		FEES REMITTED
✓	UO - Original Financing Statement	$20.00
___	UOA - Original Financing Statement With Assignment	$20.00
___	UOTU - Original Financing Statement Transmitting Utility	$20.00
___	UMA - Amendment	$20.00
___	UMDA - Amendment - Debtor Added	$20.00
___	UMDC - Amendment - Debtor Name Change	$20.00
___	UMDD - Amendment - Debtor Deleted	$20.00
___	UMSA - Amendment - Secured Party Added	$20.00
___	UMSC - Amendment - Secured Party Name Change	$20.00
___	UMSD - Amendment - Secured Party Deleted	$20.00
___	UMC - Amendment - Continuation	$20.00
___	UMT - Amendment - Termination	$20.00
___	UMZ - Amendment - Assignment	$20.00
___	UMZP - Amendment - Partial Assignment	$20.00
___	UMCS - Amendment - Correction Statement	$20.00
___	UOMH - Manufactured Home - Original Financing Statement	$20.00
___	UOPF - Public Finance - Original Financing Statement	$20.00
___	Documents Nine (9) Pages or More	$75.00
___	Certified Copies	
___	Plain Copies	

TOTAL FEES: 20



_____ Other Change(s)

_____

_____

_____

Code _____

Attention: _____

Mail to Address:

_____

_____

_____

NO FEE TRANSACTION TYPES

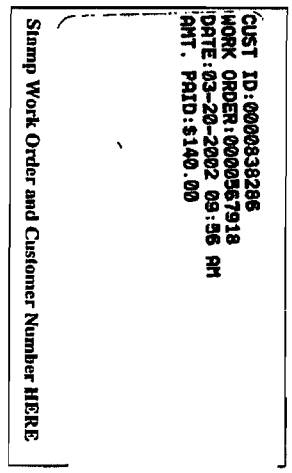
___	URC - Copies
___	UNCP - Void - Non-Payment
___	UCC - Cancellation
___	UCR - Reinstatement
___	UCO Departmental Action
___	UCREF - Refund Recordation Tax
___	UCIS - Incorrect ID Number
___	XOVRU - UCC Overrides
___	UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

Cash _____ Check ✓ Credit Card _____

Number of Checks 1

COMMENT(S):



STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001927944
WORK ORDER:0001370982
DATE:03-07-2007 09:07 AM
AMT. PAID:$525.00

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
Jamie [redacted]

B. SEND ACKNOWLEDGMENT TO:

The Corporation Trust Incorporated
300 E. Lombard Street, Suite 1400
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
181112855

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☒ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. ☐ AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of the two boxes.
Also check one of the following three boxes and provide appropriate information in item 6 and/or 7.
☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.
☐ DELETE name: Give record name to be deleted in item 6a or 6b.
☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME				
OR 6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
Erickson	John	A.		

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME				
OR 7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
				USA

7d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7G. ORGANIZATIONAL ID #, if any
				☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME			
Mercantile-Safe Deposit and Trust Company			
OR 9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA
File in Maryland SDAT — Matter No. 890412

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/29/98)

DMEAST #9738897 v1 B6869537S0

RECEIVED
DEPARTMENT OF
ASSESSMENTS & TAXATION
2007 MAR -6 P 3:50

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 2 page document on file in this office. DATED: 2-27-07

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: [signature]

This stamp replaces our previous certification system. Effective: 6/95

, Custodian

504-86

UCC APPROVAL SHEET

** EXPEDITED SERVICE ** ** KEEP WITH DOCUMENT **

TRANSACTION TYPE		FEES REMITTED
√	Expedited Fee	$50.00
___	UO - Original Financing Statement	$25.00
___	UOA - Original Financing Statement With Assignment	$25.00
___	UOTU - Original Financing Statement Transmitting Utility	$25.00
___	UMA - Amendment	$25.00
___	UMDA - Amendment - Debtor Added	$25.00
___	UMDC - Amendment - Debtor Name Change	$25.00
___	UMDD - Amendment - Debtor Deleted	$25.00
___	UMSA - Amendment - Secured Party Added	$25.00
___	UMSC - Amendment - Secured Party Name Change	$25.00
√	UMSD - Amendment - Secured Party Deleted	$25.00
___	UMC - Amendment - Continuation	$25.00
___	UMT - Amendment - Termination	$25.00
___	UMZ - Amendment - Assignment	$25.00
___	UMZP - Amendment - Partial Assignment	$25.00
___	UMCS - Amendment - Correction Statement	$25.00
___	UOMH - Manufactured Home - Original Financing Statement	$25.00
___	UOPF - Public Finance - Original Financing Statement	$25.00
___	Documents Nine (9) Pages or More	$75.00
___	Certified Copies	
___	Plain Copies	

TOTAL FEES: $25.00

1000361994420580

RECORDED ON 03/06/2007 AT 03:59 PM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001370982 ACK # 1000361994420580
ORIGINAL FILE NUMBER: 00000000181112855
LIBER: U00504 FOLIO: 0086 PAGES: 0002

_____ Other Change(s)

Code _____

Attention: _____

Mail to Address:

THE CORPORATION TRUST INCORPORATED
300 E LOMBARD ST., SUITE 1400
BALTIMORE MD 21202

NO FEE TRANSACTION TYPES

___ URC - Copies
___ UNCP - Void - Non-Payment
___ UCC - Cancellation
___ UCR - Reinstatement
___ UCO Departmental Action
___ UCREF - Refund Recordation Tax
___ UCIS - Incorrect ID Number
___ XOVRU - UCC Overrides
___ UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

Cash _____ Check √ Credit Card _____

Number of Checks 1

COMMENT(S):

Stamp Work Order and Customer Number HERE

CUST ID:0001927944
WORK ORDER:0001370982
DATE:03-07-2007 09:07 AM
AMT. PAID:$525.00

FLORIDA SECURED TRANSACTION REGISTRY

*****The attached is certified as a true and correct copy of Uniform Commercial Code file number 200201673248 of the records of this office **********

DOCUMENT(s)
200201673248

21st September 2009
FLORIDAUCC, INC.
Designated Filing Office
Florida Secured Transaction Registry

By _____
Custodian of the Records

[redacted]

FLORIDA DOCUMENTARY STAMP TAX HAS BEEN PAID

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Fran Glushakow-Smith, Esquire (410) 528-5508

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Fran Glushakow-Smith, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202

FLORIDA SECURED TRANSACTION REGISTRY

FILED
2002 Jul 16 AM 12:00
****** 200201673248 ******

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME					
OR 1b. INDIVIDUAL'S LAST NAME: Erickson	FIRST NAME: John	MIDDLE NAME: C.			SUFFIX
1c. MAILING ADDRESS: 2258 Bay Village Court	CITY: Palm Beach Gardens	STATE: FL	POSTAL CODE: 33410		COUNTRY: USA
[redacted] ADDL INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any		☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME					
OR 2b. INDIVIDUAL'S LAST NAME: Erickson	FIRST NAME: Nancy	MIDDLE NAME: A.			SUFFIX
2c. MAILING ADDRESS: 2258 Bay Village Court	CITY: Palm Beach Gardens	STATE: FL	POSTAL CODE: 33410		COUNTRY: USA
[redacted] ADDL INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any		☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company				
OR 3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME		SUFFIX
3c. MAILING ADDRESS: Two Hopkins Plaza	CITY: Baltimore	STATE: MD	POSTAL CODE: 21201	COUNTRY: USA

4. This FINANCING STATEMENT covers the following collateral:

All past, present and future indebtedness, liabilities, and obligations of any nature whatsoever, whether characterized as debt, equity or otherwise, and including any and all distributions, dividends, returns of capital, preferred equity, fees, loan repayments or any other payments of any kind owing (or otherwise to be made) by Novi Campus, LLC, a Maryland limited liability company (the "Borrower"), or Erickson Retirement Communities, LLC, a Maryland limited liability company ("ERC") and Erickson Group, LLC, a Maryland limited liability company ("EG", and, together with ERC, the "Guarantors") to any of the Debtors, whether as a member or otherwise (collectively, the "Subordinated Indebtedness") and all proceeds thereof and in any loan agreement, security agreement, deed of trust, mortgage, lease, collateral pledge agreement, stock pledge agreement, assignment, promissory note, guaranty, operating agreement or any other instrument or agreement previously, simultaneously, or hereafter executed and delivered by the Borrower, or any other person as evidence of, security for, guarantee for, or in connection with, the Subordinated Indebtedness (collectively, the "Subordinated Documents").

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable) Attach Addendum

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) (optional) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA
File with: Secretary of State of Florida

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)
UCCNAT- 5/14/01 C T System Online

FLORIDA SECURED TRANSACTION REGISTRY

*****The attached is certified as a true and correct copy of Uniform Commercial Code file number 200705909822 of the records of this office **********

DOCUMENT(s)
200705909822

21st September 2009
FLORIDAUCC, INC.
Designated Filing Office
Florida Secured Transaction Registry

By _____
Custodian of the Records

FLORIDA SECURED TRANSACTION REGISTRY

STATE OF FLORIDA UNIFORM COMMERCIAL CODE FINANCING STATEMENT AMENDMENT FORM

A. NAME & DAYTIME PHONE NUMBER OF CONTACT PERSON
Jamie N. Miller

B. SEND ACKNOWLEDGMENT TO:
Na Please return to:
CT, a Wolters Kluwer business
Ad Attn: Charlie Tack
4400 Easton Commons Way
Ad Suite 125
Ci Columbus, OH 43219

FILED
2007 Jun 28 AM 12:00
****** 200705909822 ******

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
200201673248

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. CURRENT RECORD INFORMATION – DEBTOR NAME – INSERT ONLY ONE DEBTOR NAME (2a OR 2b)

2a. ORGANIZATION'S NAME

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
Erickson	John	C.	

3. CURRENT RECORD INFORMATION – SECURED PARTY NAME – INSERT ONLY ONE SECURED PARTY NAME (3a OR 3b)

3a. ORGANIZATION'S NAME
Mercantile-Safe Deposit and Trust Company

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

4. ☐ **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

5. ☒ **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

6. ☐ **ASSIGNMENT** (full or partial): Give name of assignee in item 9a or 9b and address of assignee in item 9c; and also give name of assignor in item 11.

7. ☐ **AMENDMENT** (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 8 and/or 9.

☐ **CHANGE** name and/or address: Give current record name in item 8a or 8b; Also give new name (if name change) in item 9a or 9b and/or new address (if address change) in item 9c.

☐ **DELETE** name: Give record name to be deleted in item 8a or 8b.

☐ **ADD** name: Complete item 9a or 9b, and 9c; also complete items 9d-9g (if applicable).

8. CURRENT RECORD INFORMATION – INSERT ONLY ONE NAME (8a OR 8b) – Do Not Abbreviate or Combine Names

8a. ORGANIZATION'S NAME

8b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

9. CHANGED (NEW) OR ADDED INFORMATION: – INSERT ONLY ONE NAME (9a OR 9b) – Do Not Abbreviate or Combine Names

9a. ORGANIZATION'S NAME

9b. INDIVIDUALS' LAST NAME	FIRST NAME	MIDDLE NAME		SUFFIX
9c. MAILING ADDRESS	**CITY**	**STATE**	**POSTAL CODE**	**COUNTRY**

9d. TAX ID#	REQUIRED ADD'L INFO RE: ORGANIZATION DEBTOR	9e. TYPE OF ORGANIZATION	9f. JURISDICTION OF ORGANIZATION	9g. ORGANIZATIONAL ID#
				☐ NONE

10. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

11. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor, which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

11a. ORGANIZATION'S NAME
Mercantile-Safe Deposit and Trust Company

11b. INDIVIDUALS' LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

12. OPTIONAL FILER REFERENCE DATA File with Florida Secretary of State CT6964017 50 Matter No. 890412

STANDARD FORM - FORM UCC-3 (REV.12/2001) Filing Office Copy Approved by the Secretary of State, State of Florida

STATE OF NEVADA

ROSS MILLER
Secretary of State



SCOTT W. ANDERSON
Deputy Secretary
for Commercial Recordings

OFFICE OF THE
SECRETARY OF STATE

Certified Copies

September 17, 2009

Job Number: U20090917-0082
Reference Number: 0000530172-4
Expedite: None
Through Date:

The undersigned filing officer hereby certifies that the attached copies are true and exact copies of all requested financing statements or federal tax liens and related subsequent documentation for the debtor below as filed with the Secretary of State's Office, Uniform Commercial Code Division as of the above through date.

Document Number(s)
2002018617-3
2007020916-1
2006040218-3

Search Criteria:
Debtor Name: J&N NEVADA HOLDING INC.
Lien Type: UCC
Lien Status: Unlapsed

Nevada Secretary of State
Electronic Filing
Filing Officer

UCC DIVISION:
Tracy Gillespie, Supervisor
200 N. Carson Street
Carson City, Nevada 89701-4069
Telephone (775) 684-5708
Fax (775) 684-5630

Uniform Commercial Code Initial Financing Statement

2002018617-3 Pgs: 1

Filed: 7/15/2002 1:17 PM

DEAN HELLER
SECRETARY OF STATE
CARSON CITY
NEVADA

JUL 15 1:17 PM '02

2002018617-3

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Fran Glushakow-Smith, Esquire (410) 528-5508

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Fran Glushakow-Smith, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: Senior Living Limited Partnership

OR 1b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
701 Maiden Choice Lane	Baltimore	MD	21228	USA

1d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any
88-0382076		limited partnership	Nevada	NV LP3437-1998 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME: J&N Nevada Holding, Inc.

OR 2b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
701 Maiden Choice Lane	Baltimore	MD	21228	USA

2d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any
59-1920843		corporation	Nevada	NV C13847-1999 ☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company

OR 3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza	Baltimore	MD	21201	USA

4. This FINANCING STATEMENT covers the following collateral:

All past, present and future indebtedness, liabilities, and obligations of any nature whatsoever, whether characterized as debt, equity or otherwise, and including any and all distributions, dividends, returns of capital, preferred equity, fees, loan repayments or any other payments of any kind owing (or otherwise to be made) by Novi Campus, LLC, a Maryland limited liability company (the "Borrower"), or Erickson Retirement Communities, LLC, a Maryland limited liability company ("ERC") and Erickson Group, LLC, a Maryland limited liability company ("EG", and, together with ERC, the "Guarantors") to any of the Debtors, whether as a member or otherwise (collectively, the "Subordinated Indebtedness") and all proceeds thereof and in any loan agreement, security agreement, deed of trust, mortgage, lease, collateral pledge agreement, stock pledge agreement, assignment, promissory note, guaranty, operating agreement or any other instrument or agreement previously, simultaneously, or hereafter executed and delivered by the Borrower, or any other person as evidence of, security for, guarantee for, or in connection with, the Subordinated Indebtedness (collectively, the "Subordinated Documents").

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) | 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) (optional) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA
File with: Secretary of State of Nevada

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)
UCCNAT- 5/14/01 C T System Online

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

Filed in the office of	Document Number
Ross Miller Secretary of State State of Nevada	2007020916-1
	Filing Date and Time 06/29/2007 2:32 PM

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie Miller (410) 528-5509

B. SEND AC

Please return to:
CT, a Wolters Kluwer business
Attn: Charlie Beck
4400 Easton Commons Way
Suite 125
Columbus, OH 43219

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
2002018617-3

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☒ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. ☐ AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of the two boxes.
Also check one of the following thee boxes and provide appropriate information in item 6 and/or 7.
☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.
☐ DELETE name: Give record name to be deleted in item 6a or 6b.
☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME
J&N Nevada Holding, Inc.

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
				USA

7d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7G. ORGANIZATIONAL ID #, if any
				☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Mercantile-Safe Deposit and Trust Company

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA
File in Nevada Secretary of State

Matter No. 890412

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/29/98)

NV505

CB6964017 50

DMEAST #9818639 v1

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0000836286
WORK ORDER:0000567918
DATE:03-20-2002 09:55 AM
AMT. PAID:$140.00

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
Fran Glushakow-Smith, Esquire (410) 528-5508

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Fran Glushakow-Smith, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: JCE Holding Corp.

OR 1b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
701 Maiden Choice Lane	Baltimore	MD	21228	USA

1d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any
52-1597922		corporation	Maryland	MD D02806693 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

2d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any
				☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company

OR 3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza	Baltimore	MD	21201	USA

4. This FINANCING STATEMENT covers the following collateral:

All past, present and future indebtedness, liabilities, and obligations of any nature whatsoever, whether characterized as debt, equity or otherwise, and including any and all distributions, dividends, returns of capital, preferred equity, fees, loan repayments or any other payments of any kind owing (or otherwise to be made) by Novi Campus, LLC, a Maryland limited liability company (the "Borrower"), or Erickson Retirement Communities, LLC, a Maryland limited liability company ("ERC") and Erickson Group, LLC, a Maryland limited liability company ("EG", and, together with ERC, the "Guarantors") to any of the Debtors, whether as a member or otherwise (collectively, the "Subordinated Indebtedness") and all proceeds thereof and in any loan agreement, security agreement, deed of trust, mortgage, lease, collateral pledge agreement, stock pledge agreement, assignment, promissory note, guaranty, operating agreement or any other instrument or agreement previously, simultaneously, or hereafter executed and delivered by the Borrower, or any other person as evidence of, security for, guarantee for, or in connection with, the Subordinated Indebtedness (collectively, the "Subordinated Documents").

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) | 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) [ADDITIONAL FEE] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

File with: State Department of Assessments and Taxation of Maryland

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)
UCCNAT- 5/1401 C T System Online

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 2-page document on file in this office. DATED: 2-28-02

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

205-978

UCC APPROVAL SHEET
** KEEP WITH DOCUMENT **

TRANSACTION TYPE		FEES REMITTED
✓	UO - Original Financing Statement	$20.00
___	UOA - Original Financing Statement With Assignment	$20.00
___	UOTU - Original Financing Statement Transmitting Utility	$20.00
___	UMA - Amendment	$20.00
___	UMDA - Amendment - Debtor Added	$20.00
___	UMDC - Amendment - Debtor Name Change	$20.00
___	UMDD - Amendment - Debtor Deleted	$20.00
___	UMSA - Amendment - Secured Party Added	$20.00
___	UMSC - Amendment - Secured Party Name Change	$20.00
___	UMSD - Amendment - Secured Party Deleted	$20.00
___	UMC - Amendment - Continuation	$20.00
___	UMT - Amendment - Termination	$20.00
___	UMZ - Amendment - Assignment	$20.00
___	UMZP - Amendment - Partial Assignment	$20.00
___	UMCS - Amendment - Correction Statement	$20.00
___	UOMH - Manufactured Home - Original Financing Statement	$20.00
___	UOPF - Public Finance - Original Financing Statement	$20.00
___	Documents Nine (9) Pages or More	$75.00
___	Certified Copies	
___	Plain Copies	

TOTAL FEES: 20

1000361986789455

RECORDED ON 03/19/2002 AT 11:27 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0000567918 ACK # 1000361986789455
ORIGINAL FILE NUMBER: 0000000181112858
LIBER: U00205 FOLIO: 0978 PAGES: 0002
RECORDING FEE: 20.00
RECORDATION TAX: 0.00
EXPEDITED FEE: 0.00

___ Other Change(s)

Code _____

Attention: _____

Mail to Address:

NO FEE TRANSACTION TYPES

___ URC - Copies
___ UNCP - Void - Non-Payment
___ UCC - Cancellation
___ UCR - Reinstatement
___ UCO Departmental Action
___ UCREF - Refund Recordation Tax
___ UCIS - Incorrect ID Number
___ XOVRU - UCC Overrides
___ UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

Cash ___ Check ✓ Credit Card ___

Number of Checks 1

COMMENT(S):

Stamp Work Order and Customer Number HERE

CUST ID:0000836286
WORK ORDER:0000567918
DATE:03-20-2002 09:56 AM
AMT. PAID:$140.00

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001927944
WORK ORDER:0001370982
DATE:03-07-2007 09:06 AM
AMT. PAID:$525.00

2

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie I
B. SEN

The Corporation Trust Incorporated
300 E. Lombard Street, Suite 1400
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
181112858

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☒ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. ☐ AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of the two boxes.
Also check one of the following three boxes and provide appropriate information in item 6 and/or 7.
☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.
☐ DELETE name: Give record name to be deleted in item 6a or 6b.
☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:
6a. ORGANIZATION'S NAME
JCE Holding Corp.
OR
6b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:
7a. ORGANIZATION'S NAME
OR
7b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX
7c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY
USA
7d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 7e. TYPE OF ORGANIZATION | 7f. JURISDICTION OF ORGANIZATION | 7g. ORGANIZATIONAL ID #, if any ☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

RECEIVED
DEPARTMENT OF
ASSESSMENTS & TAXATION
2007 MAR -6 P 2:59

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.
9a. ORGANIZATION'S NAME
Mercantile-Safe Deposit and Trust Company
OR
9b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

10. OPTIONAL FILER REFERENCE DATA
File in Maryland SDAT
Matter No. 890412

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/29/98)
B4869537S0
DMEAST #9739000 v1

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 2 page document on file in this office. DATED: 3/7/07

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

504-91

UCC APPROVAL SHEET

** EXPEDITED SERVICE ** ** KEEP WITH DOCUMENT **

TRANSACTION TYPE		FEES REMITTED
√	Expedited Fee	$50.00
___	UO - Original Financing Statement	$25.00
___	UOA - Original Financing Statement With Assignment	$25.00
___	UOTU - Original Financing Statement Transmitting Utility	$25.00
___	UMA - Amendment	$25.00
___	UMDA - Amendment - Debtor Added	$25.00
___	UMDC - Amendment - Debtor Name Change	$25.00
___	UMDD - Amendment - Debtor Deleted	$25.00
___	UMSA - Amendment - Secured Party Added	$25.00
___	UMSC - Amendment - Secured Party Name Change	$25.00
/	UMSD - Amendment - Secured Party Deleted	$25.00
√	UMC - Amendment - Continuation	$25.00
___	UMT - Amendment - Termination	$25.00
___	UMZ - Amendment - Assignment	$25.00
___	UMZP - Amendment - Partial Assignment	$25.00
___	UMCS - Amendment - Correction Statement	$25.00
___	UOMH - Manufactured Home - Original Financing Statement	$25.00
___	UOPF - Public Finance - Original Financing Statement	$25.00
___	Documents Nine (9) Pages or More	$75.00
___	Certified Copies	
___	Plain Copies	

TOTAL FEES: $75.00

1000361994420564

RECORDED ON 03/06/2007 AT 03:59 PM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001370982 ACK # 1000361994420564
ORIGINAL FILE NUMBER: 0000000181112858
LIBER: U00504 FOLIO: 0081 PAGES: 0002

_____ Other Change(s)

Code _____

Attention: _____

Mail to Address:

THE CORPORATION TRUST INCORPORATED
300 E LOMBARD ST., SUITE 1400
BALTIMORE MD 21202

NO FEE TRANSACTION TYPES

___ URC - Copies
___ UNCP - Void - Non-Payment
___ UCC - Cancellation
___ UCR - Reinstatement
___ UCO Departmental Action
___ UCREF - Refund Recordation Tax
___ UCIS - Incorrect ID Number
___ XOVRU - UCC Overrides
___ UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

Cash _____ Check √ Credit Card _____

Number of Checks 1

COMMENT(S):

CUST ID:0001927944
WORK ORDER:0001370982
DATE:03-07-2007 09:07 AM
AMT. PAID:$525.00

Stamp Work Order and Customer Number HERE

EXHIBIT 13

"Tenant Security Documents"

1. **"Tenant Security Agreement"**

   Security Agreement, Pledge And Collateral Assignment Of Licenses And Residence And Care Agreements (From Fox Run Village, Inc. to Novi Campus, LLC)

2. UCC-1 Financing Statement Filed With The Maryland State Department Of Assessments And Taxation
   (Debtor: Fox Run Village, Inc.; Secured Party: Novi Campus, LLC)

3. UCC-3 Financing Statement Amendment To Above Filing Filed With The Maryland State Department Of Assessments And Taxation
   (Assignment To The Lender)

4. UCC-1 Financing Statement Filed Among The Land Records Of Oakland County, Michigan And The Financing Statement Records Of Oakland County, Michigan
   (Debtor: Fox Run Village, Inc.; Secured Party: Novi Campus, LLC)

5. UCC-3 Financing Statement Amendment To The Above Filing Filed Among The Land Records Of Oakland County, Michigan And The Financing Statement Records Of Oakland County, Michigan
   (Assignment To The Lender)

DOCUMENT: 2.13

SECURITY AGREEMENT, PLEDGE AND COLLATERAL ASSIGNMENT OF LICENSES AND RESIDENCE AND CARE AGREEMENTS

(From FRVI to NC)

THIS SECURITY AGREEMENT, PLEDGE AND COLLATERAL ASSIGNMENT OF LICENSES AND RESIDENCE AND CARE AGREEMENTS (this "Security Agreement") is made as of the 12th day of February, 2002 in favor of NOVI CAMPUS, LLC, a Maryland limited liability company ("NC") (NC is sometimes referred to hereinafter as the "Secured Party") by FOX RUN VILLAGE, INC., a Maryland non-profit corporation ("FRVI") (FRVI is sometimes referred to hereinafter as the "Grantor").

The Grantor agrees with the Secured Party as follows in order to secure (a) the prompt payment of the "Obligations," which term as used herein shall mean and include all past, present and future indebtedness, liabilities and obligations of any kind and nature whatsoever of the Grantor to NC, including, without limitation, such indebtedness, liabilities and obligations of the Grantor to NC, both now existing and hereafter arising under, in connection with, or as a result of a certain (i) Master Lease and Use Agreement by and between NC and FRVI dated February 12, 2002 (the "Lease"), (ii) the Community Loan Agreement by and between FRVI and NC dated February 12, 2002 (the "Community Loan Agreement"), pursuant to which FRVI agreed to make certain loans to NC from the proceeds of the Entrance Deposits received by FRVI in connection with the operation of Fox Run Village Retirement Community (the "Retirement Community") on the property described in the Lease, and (iii) the Working Capital Loan Agreement dated February 12, 2002 by and between NC and FRVI (the "Working Capital Loan Agreement"), (as any of the foregoing leases or agreements may be amended, restated, supplemented, or otherwise modified) and under any of the "Documents" (as defined below); and (b) the performance of all of the terms, conditions, and provisions of each of the "Documents," which term as used herein shall mean and include this Security Agreement, the Community Loan Agreement, the Working Capital Loan Agreement, the Lease, and any other security agreement, pledge agreement, guaranty, mortgage, deed of trust, loan agreement, credit or financing agreement, hypothecation agreement, subordination agreement, indemnity agreement, letter of credit application, assignment, or any other document or agreement previously, simultaneously or hereafter executed and delivered by the Grantor and/or by any other person, singly or jointly with another person or persons, evidencing, securing, guarantying or in connection with any of the Obligations (collectively, as the same may from time to time be amended, restated, supplemented or otherwise modified, the "Documents"):

1. Collateral. The Grantor hereby pledges and assigns to the Secured Party, and grants to the Secured Party a security interest in, and lien on, all of the assets of the Grantor of every kind whatsoever, including but not limited to each item of property of the Grantor described below, and in all cash and non-cash proceeds and products thereof, including the Designated Tenant Account (as hereinafter defined) and all funds at any time on deposit therein,

and all proceeds of all insurance policies covering all or any part of such property (collectively, the "Collateral"):

a. Inventory. All of the Grantor's inventory (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), including, without limitation, embedded software, wherever located, both now owned and hereafter acquired, and as the same may now and hereafter from time to time be constituted, together with all cash and non-cash proceeds and products thereof.

b. Accounts. All of the Grantor's accounts (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), and including, without limitation, all notes, notes receivable, amounts due to the Grantor under any leases, drafts, acceptances and similar Instruments and documents both now owned and hereafter acquired, (including all accounts receivable and notes receivable and related collateral or security interests arising from loans made, service agreements or leases entered into between the Grantor or with any of its affiliates or affiliates of the Secured Party), all receivables arising out of the use of a credit or charge card or information contained on or for use with the card, all "health-care insurance receivables" (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), all Supporting Obligations, letter-of-credit rights and letters of credit given by any person with respect to any of the foregoing, and all books and records in whatever media (paper, electronic or otherwise) recorded or stored, with respect to any or all of the foregoing and all equipment and general intangibles necessary to retain, access and/or process the information contained in those books and records, together with (i) all cash and non-cash proceeds thereof, and (ii) all returned, rejected or repossessed goods, the sale or lease of which shall have given or shall give rise to an account and all cash and non-cash proceeds and products of all such goods. Notwithstanding the foregoing, the Collateral shall not include the "Note" or "Mortgage" evidencing and securing loans to be made by Grantor to NC in an amount not to exceed $405,000,000 pursuant to the Community Loan Agreement.

c. General Intangibles. All of the Grantor's general intangibles (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), including, without limitation, all things in action, contractual rights, goodwill, literary rights, rights to performance, copyrights, trademarks, servicemarks, patents, judgments, and awards, general and limited partnership interests, membership interests in limited liability companies, tax refunds, rights or claims with respect to taxes paid, commercial tort claims, payment intangibles and Supporting Obligations, both now owned and hereafter acquired, together with all cash and non-cash proceeds and products thereof. The Grantor's general intangibles shall include all of the Grantor's rights under the Documents. The Grantor may not amend or alter, or give any consent or waiver under the terms of, the Documents without the prior written consent of the Secured Party.

d. Chattel Paper. All of the Grantor's chattel paper (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect) both now owned and hereafter existing, acquired or created, and including, without limitation, all records (including, without limitation, electronic chattel paper) which evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the

goods, or a lease of specific goods, together with (i) all moneys due and to become due thereunder, (ii) all Supporting Obligations with respect thereto, (iii) all cash and non-cash proceeds thereof, and (iv) all returned, rejected or repossessed goods, the sale or lease of which shall have given or shall give rise to chattel paper and all cash and non-cash proceeds and products of all such goods. Additionally, the Grantor assigns and grants to the Secured Party a security interest in all property and goods both now owned and hereafter acquired by the Grantor which are sold, leased, secured, serve as security for, are the subject of, or otherwise covered by, the Grantor's chattel paper, together with all rights incident to such property and goods and all cash and non-cash proceeds thereof.

e. Equipment and Fixtures. All of the Grantor's equipment (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect) and fixtures, both now owned and hereafter acquired, including, without limitation, embedded software, together with (i) all additions, parts, fittings, accessories, special tools, attachments and accessions now and hereafter affixed thereto and/or used in connection therewith; (ii) all replacements thereof and substitutions therefor; and (iii) all cash and non-cash proceeds and products thereof.

f. Licenses. Except to the extent prohibited under applicable law and by the terms of the Licenses (as hereinafter defined), all right, title and interest of the Grantor in, to and under the Licenses, together with all rights, privileges and entitlements thereunder; provided, however, that nothing contained herein shall impose upon the Secured Party any of the obligations or liabilities of the Grantor under the Licenses, and provided further that the Secured Party shall not exercise any rights under such Licenses unless and until an Event of Default has occurred. For the purposes hereof, "Licenses" shall mean and include any and all licenses, certificates of need, certificates or orders of registration, operating permits, franchises, and other governmental authorizations and approvals, now or hereafter existing with respect to the acquisition, construction, renovation, expansion, leasing, ownership and/or operation of the Retirement Community, including all certificates of need, licenses and other authorizations of any kind in connection with any nursing home or other health care facilities which are a part of the Retirement Community, and any and all licenses issued by any governmental authority relating to the operation of food and beverage facilities and/or amenities, all "health care insurance receivables" (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), and all third-party payment contracts under which payment may be made for services rendered at the Retirement Community, including, but not limited to, Medicare and Medicaid provider agreements issued to the Grantor and the Retirement Community and managed care plans, together with all additions to, modifications of and substitutions for any of the foregoing. The Licenses include those items listed on Exhibit A hereto.

g. Residence and Care Agreements. All of the Grantor's right, title and interest in and to all Residence and Care Agreements (together with all annexes, schedules and ancillary agreements related thereto, the "Residence and Care Agreements") with residents of the Retirement Community, including any collateral rights of the Grantor therein.

h. Cash and Deposits. All cash, cash equivalents, credits, securities, notes, and Instruments, and all "deposit accounts" (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), including, all bank accounts, savings accounts, investment accounts, money market accounts and other such accounts of any nature and all funds, investments and securities on deposit therein, whether held by the Secured Party or by any other person or institution (collectively, "Funds"). All such Funds shall be deemed to be held for the benefit of the Secured Party, or, if held by another party, by such party as agent for the Secured Party for the purpose of perfecting the Secured Party's pledge of and security interest therein. The Funds shall include, without limitation, all of the interests of the Grantor in each of the "Bank Accounts" described in the Construction Loan Agreement of even date herewith (the "Loan Agreement") between NC and Mercantile-Safe Deposit and Trust Company (the "Bank"). The Grantor agrees that the said Bank Accounts shall at all times be established and operated in accordance with the description of the said Bank Accounts contained in the Loan Agreement and other Loan Documents referred to therein. The Bank, to which the Secured Party's rights hereunder are being assigned, shall at all times have exclusive dominion and control over the said Bank Accounts, and the Grantor shall have no rights to withdraw funds from any of the said Bank Accounts except as provided in the Loan Agreement. The rights of the Secured Party hereunder, which have been assigned to the Bank, shall revert to the Secured Party once the Bank's rights have expired under the terms of the Loan Agreement and other Loan Documents referred to therein.

i. Documents, Goods, Motor Vehicles. All of the Grantor's now and hereafter existing documents, documents of title or receipts covering, evidencing or representing any Inventory, goods, motor vehicles or other property both now and hereafter owned or purchased by the Grantor or for which the Grantor has contracted to purchase.

j. Instruments. All of the Grantor's instruments (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect) and including, without limitation, all letters of credit issued to or for the benefit of the Grantor, both now and hereafter owned, existing or acquired.

k. Investment Property. All of the Grantor's investment property (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), including, without limitation, all securities (whether certificated or uncertificated), security entitlement securities, account commodity contracts and commodity accounts, and all proceeds (cash and non-cash proceeds) of and Supporting Obligations with respect to the foregoing.

l. Supporting Obligations. All supporting obligations (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), and including, without limitation, all letter of credit rights, secondary obligations and obligations of a secondary obligor, and secondary obligations that support the payment or performance of an Account, Chattel Paper, a Document, a General Intangible, an Instrument, or Investment Property.

2. Payment and Performance. The Grantor will pay the Obligations to be paid by the Grantor as and when due and payable and will perform, comply with, and observe the terms and conditions of the Documents to be performed, complied with and observed by the Grantor.

3. Representations and Warranties. (a) The Grantor represents and warrants that it is the owner of the Collateral and has good and marketable title to the Collateral free and clear of all liens, charges, security interests and other encumbrances except for those in favor of the Secured Party and those previously disclosed in writing to the Secured Party and permitted by the Loan Agreement. Upon request of the Secured Party, the Grantor shall deliver to the Secured Party all certificates of title, certificates of origin or other evidence of the Grantor's ownership of the Collateral as may be required by the Secured Party.

(b) The Grantor represents and warrants to the Secured Party as of the date hereof and as of the date any future Licenses are issued to, or acquired by, the Grantor that:

(i) the licenses and permits listed on Exhibit A attached hereto, together with those listed on Exhibit A of the Security Agreement, Pledge and Collateral Assignment of Licenses and Residence and Care Agreements of even date herewith granted by the Secured Party (and others) to the Bank (the "Related Security Agreement") constitute all material Licenses required to operate the Retirement Community and to provide the range of services and care as conducted or intended to be conducted at the Retirement Community;

(ii) all of the Licenses have been issued in the name of the Grantor, except as otherwise indicated on Exhibit A;

(iii) there has been no breach of any condition to the issuance, maintenance, renewal and/or continuance of any of the Licenses, and no event has occurred which, with the giving of notice or the passage of time, or both, would constitute such a breach;

(iv) the Grantor has paid all fees, charges and other expenses, has provided all information and has otherwise complied with all material conditions precedent to the issuance, maintenance, renewal, and continuance of all of the Licenses issued in its name;

(v) the Grantor has not received any notice from any governmental authority of any actual, pending or threatened, suspension, revocation, restriction or imposition of any probationary use of any of the Licenses, or any material amendments or modifications to the Licenses;

(vi) except for the assignment provisions of the Lease, the Community Loan Agreement and the Working Capital Loan Agreement, this Security Agreement is the only assignment of any of the Licenses made by FRVI;

(vii) the Licenses are free and clear of all liens, security interests and other encumbrances except liens in favor of Secured Party and its lender, Mercantile-Safe Deposit and Trust Company;

(viii) none of the Licenses has been or is expected to be issued for a period of less than twelve (12) months unless such license is normally issued for a period of less than twelve (12) months in which case, such License has been or is expected to be issued for a period the duration of which is customary for such License; and

(ix) the Grantor has the full power and authority to execute and deliver this Assignment and to perform and comply with the terms and conditions hereof, all of which have been duly authorized.

4. Further Assurances. The Grantor will defend its title to the Collateral against all persons and will upon request of the Secured Party, promptly (a) furnish such further assurances of title as may be required by the Secured Party; and (b) deliver, execute and/or authorize the filing of or cause to be delivered and executed, in form and content satisfactory to the Secured Party, any financing, continuation, amendment, termination or security interest filing statement, security agreement or other document as the Secured Party may request in order to perfect, preserve, maintain or continue the perfection of the Secured Party's security interest in the Collateral and/or its priority. The Grantor will pay the costs of filing any and all financing, continuation, termination or security interest filing statement as well as any recordation or transfer tax required by law to be paid in connection with the filing or recording of any such statement. The Grantor hereby covenants to save harmless and indemnify the Secured Party from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, and recording costs incurred by the Secured Party in connection with this Security Agreement, which covenant shall survive the termination of this Security Agreement and the payment of the Obligations. A carbon, photographic or other reproduction of a financing statement is sufficient as a financing statement. This Security Agreement (and reproductions thereof) shall also constitute, and may be filed among the records of any jurisdiction as, a financing statement. Without implying any limitation on the foregoing, with respect to the Collateral that may be perfected by control, the Grantor shall take such steps as the Secured Party may require in order that Secured Party may have such control. To the extent that the proceeds of any of the Accounts are expected to become subject to the control of, or in the possession of, a party other than the Grantor or the Secured Party, the Grantor shall cause all such parties to execute and deliver on the date of this Security Agreement and from time to time hereafter security documents, financing statements or other documents as requested by the Secured Party and as may be necessary to evidence and/or perfect the security interest of the Secured Party in those proceeds. The Grantor hereby irrevocably appoints the Secured Party as the Grantor's attorney-in-fact, with power of substitution, in the name of the Secured Party or in the name of the Grantor or otherwise, for the use and benefit of the Secured Party, but at the cost and expense of the Grantor and without notice to the Grantor, to execute and deliver any and all of the Instruments and other documents and take any action which the Secured Party may require pursuant the foregoing provisions of this Section, but only in order to further assure the lien, priority and perfection of the security interests created under this Security Agreement. Further, except to the extent prohibited by applicable laws, the Secured Party may file, without the Grantor's signature, one or more financing statements or other notices disclosing the Secured Party's liens and other security interests. All financing statements and notices may describe the Secured Party's collateral as all assets or all personal property of Grantor. Notwithstanding the filing of such "all assets" financing statements, the scope of the Secured Party's liens and

security interests with respect to the Collateral shall be governed by the granting language of the Loan Documents. Furthermore, notwithstanding the provisions of this Security Agreement regarding control, the Grantor shall not be obligated to obtain or provide documentation of control with respect to any funds now or hereafter held by Comerica Bank as Escrow Agent under the Fox Run Village Escrow Agreement dated December 17, 2001 by and among the Grantor, the said Escrow Agent and Erickson Retirement Communities, LLC, as manager, unless and until such funds are released from such Escrow Agreement in accordance with the terms thereof.

5. Transfer and Other Liens. Except as otherwise expressly permitted in the Loan Agreement, the Grantor will not sell, lease, transfer, exchange or otherwise dispose of the Collateral, or any part thereof or interest therein, without the prior written consent of the Secured Party, and will not permit any lien, security interest or other encumbrance to attach to the Collateral, or any part thereof, other than those in favor of the Secured Party or those permitted by the Secured Party in writing, except that the Grantor may, in the ordinary course of its business, and in the absence of an Event of Default hereunder, collect its Accounts and Chattel Paper and sell its Inventory, and grant purchase money liens to secure the purchase price of newly acquired equipment and vehicles.

6. Consents. Without notice to and further consent of the Grantor, without in any way waiving any of the provisions of this Security Agreement and without in any way releasing all or any part of the Obligations and/or of the Collateral, the Grantor hereby consents (a) to any extension of time for payment of any of the Obligations; (b) to any renewal, modification, waiver or release of any of the Obligations and of any of the Documents; (c) to the addition to or release of, the Grantor or of any other maker, accommodation maker, endorser, guarantor, surety or indemnitor of any of the Obligations and of any of the Documents; (d) to the addition to or release of all or any part of the collateral and security for any of the Documents and all or any part of the Collateral hereunder; and (e) to any indulgence and/or waiver given to the Grantor or to any other maker, accommodation maker, endorser, guarantor, surety or indemnitor of any of the Obligations.

7. Books and Records. The Grantor will (a) at all times maintain, in accordance with generally accepted accounting principles, accurate and complete books and records pertaining to the operation, business and financial condition of the Grantor and pertaining to the Collateral and any contracts and collections relating to the Collateral; (b) furnish to the Secured Party promptly upon request and in the form and content and at the intervals specified by the Secured Party, such financial statements, reports, schedules and other information with respect to the operation, business, affairs and financial condition of the Grantor as the Secured Party may from time to time reasonably require; (c) at all reasonable times and without hindrance and delay, permit the Secured Party or any person designated by the Secured Party to enter any place of business of the Grantor or any other premises where any books, records and other data concerning the Grantor and/or the Collateral may be kept and to examine, audit, inspect and make extracts from and photocopies of any such books, records and other data; (d) furnish to the Secured Party promptly upon request and in the form and content specified by the Secured Party lists of account debtors, lists of purchasers of inventory, aging of Accounts, aggregate cost or wholesale market value of inventory, schedules of equipment and other data concerning the

Collateral as the Secured Party may from time to time specify; and (e) mark its books and records in a manner satisfactory to the Secured Party so that the Secured Party's rights in and to the Collateral will be shown.

8. Name of Grantor, Place(s) of Business and Organization of Grantor and Location of Collateral. The Grantor represents and warrants that its correct legal name is as specified on Schedule I attached hereto and each legal or trade name of the Grantor used during the previous five (5) years (if different from the Grantor's current legal name) is as specified on Schedule I attached hereto. Without prior notice to the Secured Party, the Grantor will not change its name. The Grantor warrants that the Grantor is organized and existing under the laws of the State set forth on Schedule I attached hereto, and that the address of the Grantor's chief executive office and the address of each other place of business of the Grantor are as specified below the signature lines of this Security Agreement. The Collateral and all books and records pertaining to the Collateral have been for the previous four (4) months (unless acquired by the Grantor during the previous four (4) months), are and will be located only at the locations listed on Schedule I attached hereto. The Grantor will immediately advise the Secured Party in writing of the opening of any new place of business or the closing of any of its existing places of business, and of any change in the State of its organization, the location of its chief executive office and the places where the Collateral, or any part thereof, or the books and records concerning the Collateral, or any part thereof, are kept.

9. Care of Collateral. The Grantor will maintain the Collateral in good condition and will not do or permit anything to be done to the Collateral that may impair its value or that may violate the terms of any insurance covering the Collateral or any part thereof. The Secured Party shall have no duty to, and the Grantor hereby releases the Secured Party from all claims for loss or damage caused by the failure to, collect or enforce any Account, General Intangible, Supporting Obligation or Chattel Paper or to preserve rights against prior parties to the Collateral.

10. Insurance. The Grantor will insure such of the Collateral as specified by the Secured Party against such casualties and risks in such form and amount as may from time to time be required by the Secured Party. All insurance proceeds shall be payable to the Secured Party and all policies or certificates of insurance shall be furnished to the Secured Party. The Grantor will pay all premiums due or to become due for such insurance and hereby assigns to the Secured Party any returned or unearned premiums which may be due upon cancellation of insurance coverage. The Secured Party is hereby irrevocably (a) appointed the Grantor's attorney-in-fact to endorse in the name of the Grantor and/or the Secured Party any draft or check which may be payable to the Grantor in order to collect such returned or unearned premiums or the proceeds of insurance upon the occurrence of an Event of Default; and (b) authorized to apply such insurance proceeds upon the occurrence of an Event of Default, in the same manner and order as the proceeds of sale or other disposition of the Collateral are to be applied pursuant to paragraph 22 hereof.

11. Taxes. The Grantor will pay or cause to be paid as and when due and payable all taxes, levies, license fees, assessments and other impositions levied on the Collateral or any part thereof or for its use and operation, subject to any right to contest provided in the Loan

Documents (which term, as used herein, shall have the meaning ascribed to it in the Loan Agreement).

12. Equipment not Fixtures. The Grantor warrants that all equipment which constitutes a part of the Collateral is personalty and is not and will not be affixed to real estate in such manner as to become a fixture or part of such real estate. If, in the opinion of the Secured Party, any such equipment is or may become part of any real estate, the Grantor will furnish to the Secured Party a written waiver by the record owner of such real estate of all interest in such equipment and a written subordination to the Secured Party's security interest and lien by any person (other than the Bank) who has a lien on or security interest in such real estate which is or may be superior to the Secured Party's security interest hereunder.

13. Specific Security Agreements or Assignments. Promptly, upon request by the Secured Party, the Grantor will execute and deliver to the Secured Party written security agreements, assignments, endorsements and/or schedules, in form and content satisfactory to the Secured Party, of specific items of Collateral, including specific Chattel Paper, General Intangibles, Supporting Obligations and Accounts or groups of Chattel Paper, General Intangibles, Supporting Obligations and Accounts, but the security interest of the Secured Party hereunder shall not be limited in any way by such assignments. Such specific assignments are to secure payment of the Obligations and performance of the Documents and are not intended to evidence a sale to the Secured Party whether or not any assignments thereof which is separate from this Security Agreement, is in form absolute.

14. Delivery, etc. of Chattel Paper and Other Collateral. The Grantor will promptly upon request by the Secured Party, deliver, assign and endorse to the Secured Party all Chattel Paper and all other documents held by the Grantor in connection therewith, and any other Collateral in which a security interest must be perfected by possession.

15. Government Contracts. If any Account or Chattel Paper arises out of a contract or contracts with the United States of America or any department, agency, or instrumentality thereof, the Grantor shall immediately notify the Secured Party thereof in writing and execute any instruments or take any steps required by the Secured Party in order that all moneys due or to become due under such contract or contracts shall be assigned to the Secured Party and notice thereof given under the Federal Assignment of Claims Act.

16. Designated Tenant Account. The Grantor will deposit or cause to be deposited to the Designated Tenant Account described in the Loan Agreement (the "Designated Tenant Account"), all amounts required to be deposited therein under the provisions of the Loan Agreement (all such amounts being herein collectively referred to as "items of payment"). The Grantor shall deposit such items of payment for credit to the Designated Tenant Account, as and when required by the Loan Agreement, and in precisely the form received, except for the endorsement of the Grantor where necessary to permit the collection of such items of payment, which endorsement the Grantor hereby agree to make. Pending such deposit, the Grantor will not commingle any such items of payment with any of their other funds or property, but will hold them separate and apart. The Bank will apply the collected funds credited to the Designated Tenant Account in accordance with the provisions of the Loan Documents. When the Bank's

rights under its Loan Documents expire, the rights of the Secured Party under this Agreement, which have been assigned to the Bank pursuant to the Loan Documents, shall revert to the Secured Party.

17. Rights of Secured Party and Duties of Grantor. If all or any part of the Collateral at any time consists of Inventory, Accounts, General Intangibles, Supporting Obligations or Chattel Paper: (a) the Secured Party may upon the occurrence of an Event of Default at any time and from time to time, and the Grantor hereby irrevocably appoints the Secured Party as its attorney-in-fact, with power of substitution, in the name of the Secured Party or in the name of the Grantor or otherwise, for the use and benefit of the Secured Party, but at the cost and expense of the Grantor and without notice to the Grantor, (i) notify the account debtors obligated on any of the Collateral to make payments thereon directly to the Secured Party, and to take control of the cash and non-cash proceeds of any such Collateral; (ii) charge against and set off from any obligation owing to the Grantor by the Secured Party any item of payment credited to the Designated Tenant Account which is dishonored by the drawee or maker thereof; (iii) compromise, extend, or renew any of the Collateral or deal with the same as it may deem advisable; (iv) release, make exchanges, substitutions, or surrender, all or any part of the Collateral; (v) remove from the Grantor's place of business all books, records, ledger sheets, correspondence, invoices and documents, relating to or evidencing any of the Collateral or without cost or expense to the Secured Party, make such use of the Grantor's place(s) of business as may be reasonably necessary to administer, control and collect the Collateral; (vi) repair, alter or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any account debtor; (vii) demand, collect, receipt for and give renewals, extensions, discharges and releases of any of the Collateral; (viii) institute and prosecute legal and equitable proceedings to enforce collection of, or realize upon, any of the Collateral; (ix) settle, renew, extend, compromise, compound, exchange or adjust claims with respect to any of the Collateral or any legal proceedings brought with respect thereto; (x) endorse the name of the Grantor upon any items of payment relating to the Collateral or upon any Proof of Claim in Bankruptcy against an account debtor; and (xi) receive and open all mail addressed to the Grantor and, if an Event of Default exists hereunder, notify the Post Office authorities to change the address for the delivery of mail to the Grantor to such address as the Secured Party may designate; and (b) the Grantor will (i) make no material change to the terms of any lease or of any Account, General Intangible, Supporting Obligation or Chattel Paper without the prior written permission of the Secured Party; and (ii) on demand, make available in form acceptable to the Secured Party documents and receipts evidencing any transaction giving rise to any lease, Account, General Intangible, Supporting Obligation or Chattel Paper, completion certificates or other proof of the satisfactory performance of services which gave rise to an Account, a General Intangible, Supporting Obligation or Chattel Paper, and the Grantor's copy of any written contract or order from which a lease, an Account, a General Intangible, Supporting Obligation or Chattel Paper arose.

18. Covenants Relating to the Licenses. The Grantor hereby covenants and agrees as follows:

(a) The Grantor shall take any and all steps necessary to renew the Licenses in accordance with all applicable laws, rules and regulations and shall fully, promptly and faithfully comply with and perform its obligations and duties under the Licenses in accordance with the

terms thereof, including, without limitation, (i) the payment of any and all issuance, renewal or other fees, charges, assessments and other expenses assessed by any issuing governmental authority in connection with any of the Licenses, (ii) the filing of any and all reports, surveys, schedules, certificates, applications and other items required by any issuing governmental authority as a condition precedent to any renewal, issuance, or continuance of any of the Licenses, and (iii) the operation and maintenance of the Retirement Community in compliance with all laws, rules and regulations imposed upon and governing retirement communities, assisted living facilities and comprehensive care facilities in general, and the Retirement Community in particular.

(b) The Grantor shall not (i) request any changes or amendments to any of the Licenses that are not customarily made in the ordinary course of business, or (ii) terminate, restrict, or cancel any of the Licenses, to the extent any such changes, amendments, termination, restriction or cancellation could have a materially adverse effect on the financial condition or operations of the Grantor or the Retirement Community.

(c) The Grantor will promptly (i) furnish to the Secured Party evidence of the issuance, renewal or continuance of any of the Licenses, and evidence of compliance with all of the conditions under which any of the Licenses exists, and (ii) inform the Secured Party of any notices received relating to the threatened or actual revocation, restriction, suspension or expiration of any of the Licenses, including any proposed or actual admission ban or restriction.

(d) The Grantor will promptly notify the Secured Party in writing of the happening of any of the following events: (i) any modification of any of the Licenses, if such modification would substantially affect such License, (ii) failure or inability of the Grantor to comply with any of the conditions of the Licenses, (iii) any receipt of any notice of the threatened or pending revocation, suspension, probation, expiration, amendment, or rescission of any of the Licenses or any pending or threatened revocation, suspension, probation, expiration, amendment, or rescission of any of the Licenses, and (iv) as a consequence of any sanction of a governmental authority, the issuance or threatened issuance of any of the Licenses for a period of less than twelve (12) months from the date of issuance.

(e) The Grantor will keep the Licenses free and clear of all liens, security interests and other encumbrances, other than those in favor of the Bank and the Secured Party, and other subordinate liens permitted by, and assigned to, the Bank.

19. Covenants Related to Residence and Care Agreements.

(a) To the extent that the Grantor has any authority or rights with respect to the Residence and Care Agreements, the Grantor shall not, without the prior written consent of the Secured Party, enter into, or take or fail to take any action pursuant to, or give any consent under the terms of, any Residence and Care Agreement which materially reduces or delays the amount (taken in the aggregate) or the timing of payment of any of the fees or charges payable by any resident as shown or described in the form delivered to Secured Party at closing, or which would in any other manner result in a reduction or delay in the amount or timing of payments under the Lease or the Documents, or in the amounts available to the Grantor for such purposes.

Upon request of the Secured Party, the Grantor shall provide to Secured Party copies of executed Residence and Care Agreements, schedules regarding the same in form and substance acceptable to the Secured Party, and such other information regarding the Residence and Care Agreements and the residents of the Retirement Community as the Secured Party may reasonably require, including any information the Secured Party deems pertinent to evaluate the financial condition and business affairs of the Grantor.

(b) The Grantor hereby agrees that all Entrance Deposits shall be held as provided in Section 8.19 of the Loan Agreement. Except to the extent prohibited by law, the Grantor hereby assigns to Secured Party, and grants to Secured Party a security interest in, all of the Grantor's interest (if any) in the Entrance Deposits (which term shall include all similar deposits, payments or entrance fees charged by Grantor and relating to the occupation of living units in the Retirement Community), whether now in escrow or received after the date hereof. Except to the extent prohibited by applicable law, the Secured Party shall be entitled to exercise its remedies as secured party under the applicable Uniform Commercial Code, and all other rights and remedies available to the Secured Party, against the Entrance Deposits without being obligated to assume any of the obligations of the Grantor under the Residence and Care Agreements, and the Grantor shall continue to be liable for all obligations of the Grantor thereunder. The Grantor hereby agrees to use its best efforts to satisfy the conditions precedent to permit the release of the Entrance Deposits from escrow.

20. Performance by Secured Party. If the Grantor fails to perform, observe, or comply with any of the conditions, terms or covenants contained in this Security Agreement, the Secured Party, without notice to or demand upon the Grantor and without waiving or releasing any of the Obligations or any default, may (but shall be under no obligation to) at any time thereafter perform such conditions, terms or covenants for the account and at the expense of the Grantor, and may enter upon any place of business or other premises of the Grantor for that purpose and take all such action thereon as the Secured Party may consider necessary or appropriate for such purpose. All sums paid or advanced by the Secured Party in connection with the foregoing and all costs and expenses (including, without limitation, attorneys' fees and expenses) incurred in connection therewith (collectively, the "Expense Payments") shall be paid by the Grantor to the Secured Party on demand and shall constitute and become a part of the Obligations secured hereby.

21. Event of Default. The occurrence of any one or more of the following events shall constitute an Event of Default under this Security Agreement: (a) any failure of Grantor to perform, observe or comply with any of the provisions of this Security Agreement which is not cured within ten (10) days after notice from the Secured Party; (b) the occurrence of an Event of Default under any of the Documents; (c) if any information furnished by the Grantor, or by any other person acting on behalf of an Grantor in connection with the Loan, the Collateral, or with any of the Documents shall prove untrue or misleading in any material respect; (d) the filing of any petition under the Bankruptcy Code or any similar federal or state statute by or against the Grantor, or the failure of the Grantor generally to pay debts as such debts become due; (e) the filing of an application for the appointment of a receiver for, the making of a general Security Agreement for the benefit of creditors by, or the insolvency of, the Grantor; or (f) the dissolution, merger, consolidation, or reorganization of the Grantor.

22. Rights and Remedies Upon an Event of Default. In the event of an Event of Default hereunder (and in addition to all of its rights, powers and remedies under this Security Agreement), the Secured Party may, at its option, declare the unpaid balance of all or any part of the Obligations to be immediately due and payable, and the Secured Party shall have all of the rights and remedies of a Secured Party under the applicable Uniform Commercial Code and other applicable laws. The Grantor, upon demand by the Secured Party, shall assemble the Collateral and make it available to the Secured Party at a place designated by the Secured Party which is mutually convenient to both parties. The Secured Party or its agents may enter upon the Grantor's premises with or without judicial process or proceedings to take possession of the Collateral, to remove it, to render it unusable or to sell or otherwise dispose of it.

Additionally, upon the occurrence of an Event of Default hereunder, the Secured Party may, by written notice to the Grantor and to any of such Grantor's account debtors, direct that any and all future payments in respect of such accounts shall be made directly to the Secured Party.

Subject to the provisions of this Security Agreement, upon or at any time after the occurrence of an Event of Default under the Documents, the Secured Party may, without notice and without regard to the adequacy of security for the Obligations under the Documents, either in person or by agent, with or without bringing any action or proceeding, or by a receiver to be appointed by a court, enforce any and all rights and remedies of the Grantor under and in connection with any of the Licenses, except to the extent prohibited by law, and subject to the provisions of this Security Agreement or any of the other Documents, make, cancel, enforce, transfer or modify any of the Licenses and do any acts that the Secured Party deems proper to protect the security hereof. The Grantor agrees to take all actions necessary to enable the Secured Party to fully exercise its rights hereunder, including, but not limited to assisting the Secured Party to obtain any required governmental agency approval. The Grantor shall cooperate to the fullest extent possible in arranging for the transfer or issuance to the Secured Party or its designee or assignee of all licenses, permits, approvals and authorizations, and all governmental and private reimbursement agreements of any kind, necessary or useful to the operation of the Retirement Community, under applicable federal, state or local law. The cooperation required under this agreement shall include the execution, delivery and filing with appropriate governmental entities and private party health care reimbursers of all applications, petitions, requests, assignments and other documents or instruments of any kind, including but not limited to a surrender or termination of any existing operating license, provider agreement or other reimbursement agreement if requested by the Secured Party to facilitate the issuance of new licenses or provider agreements in the name of the Secured Party or its designee or assignee. The Secured Party shall have the right, and the Grantor hereby irrevocably designates and appoints the Secured Party and its designees as the attorney-in-fact of the Grantor, with power of substitution and with power and authority in the Grantor's name, the Secured Party's name or otherwise and for the use and benefit of the Secured Party to take control of, change the terms of, release, exchange, substitute, extend, renew or otherwise deal with, the Licenses in any manner as the Secured Party may deem advisable, should any Grantor fail to cooperate as required above.

Any written notice of the sale, disposition or other intended action by the Secured Party with respect to the Collateral which is required by applicable laws and is sent by regular mail, postage prepaid, to the Grantor at the address of the Grantor's chief executive office specified below, or such other address of the Grantor which may from time to time be shown on the Secured Party's records, at least ten (10) days prior to such sale, disposition or other action, shall constitute reasonable notice to the Grantor. The Grantor shall pay on demand all costs and expenses, including, without limitation, attorneys' fees and expenses, incurred by or on behalf of the Secured Party (a) in enforcing the Obligations, and (b) in connection with the taking, holding, preparing for sale or other disposition, selling, managing, collecting or otherwise disposing of, the Collateral. All of such costs and expenses (collectively, the "Enforcement Costs") shall be paid by the Grantor to the Secured Party on demand and shall constitute and become a part of the Obligations secured hereby. Any proceeds of sale or other disposition of the Collateral will be applied by the Secured Party to the payment of Enforcement Costs and Expense Payments, and any balance of such proceeds (if any) will be applied by the Secured Party to the payment of the remaining Obligations (whether then due or not), at such time or times and in such order and manner of application as the Secured Party may from time to time in its sole discretion determine.

In addition to, and without limitation of, any rights of the Secured Party under applicable laws, if Grantor becomes insolvent, however evidenced, or any Event of Default occurs, the Secured Party may at any time and from time to time thereafter, without notice to the Grantor, set-off, hold, segregate, appropriate and apply at any time and from time to time thereafter all such indebtedness, deposits, credits, balances (whether provisional or final and whether or not collected or available), monies, securities and other property toward the payment of all or any part of the Obligations in such order and manner as the Secured Party in its sole discretion may determine and whether or not the Obligations or any part thereof shall then be due or demand for payment thereof made by the Secured Party.

23. Remedies Cumulative. Each right, power and remedy of the Secured Party as provided for in this Security Agreement or in the other Documents or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Security Agreement or in the Documents or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Secured Party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by the Secured Party of any or all such other rights, powers or remedies.

24. Waiver. No failure or delay by the Secured Party to insist upon the strict performance of any term, condition, covenant or agreement of this Security Agreement or of the other Documents, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, condition, covenant or agreement or of any such breach, or preclude the Secured Party from exercising any such right, power or remedy at any later time or times. By accepting payment after the due date of any of the Obligations, the Secured Party shall not be deemed to have waived the right either to require prompt payment when due of all other Obligations, or to declare an Event of Default for failure to effect such payment of any such other Obligations. No course of dealing between the Secured Party and the

Grantor shall be effective to amend, modify or change any provision of this Security Agreement or the other Documents, and the Secured Party shall have the right at all times to enforce the provisions of this Security Agreement and any of the other Documents in strict accordance with the terms hereof and thereof, notwithstanding any conduct or custom on the part of the Secured Party in refraining from so doing at any time or times. No modification, change, waiver or amendment of this Security Agreement shall be deemed to be made by the Secured Party unless in writing signed by the Secured Party, and each such waiver if any, shall apply only with respect to the specific instance involved. The Grantor waives presentment, notice of dishonor and notice of non-payment with respect to Accounts, General Intangibles, Supporting Obligations and Chattel Paper.

25. Governing Law. This Security Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the granting, perfection and enforcement of security interest in collateral, the law of the jurisdiction where the collateral is located (or which otherwise applies to security interest in the collateral) shall govern.

26. Miscellaneous. The paragraph headings of this Security Agreement are for convenience only, and shall not limit or otherwise affect any of the terms hereof. Neither this Security Agreement nor any term, condition, covenant or agreement hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought. In conjunction with the sale, assignment or transfer of all or any part of the Obligations and of the Documents to any person or persons, the Secured Party may, without notice to or consent of the Grantor, at any time and from time to time sell, assign and transfer all or any part of this Security Agreement and the Collateral hereunder and each such purchaser, assignee and transferee shall have all of the rights, remedies and benefits of the Secured Party hereunder, provided that the Secured Party shall continue to have its rights, remedies and benefits hereunder as to so much of the Obligations and Documents that it has not sold, assigned or transferred. This Security Agreement shall be binding upon the personal representatives, successors and assigns of the Grantor and shall inure to the benefit of the successors and assigns of the Secured Party. In the event any one or more of the provisions of this Security Agreement shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part, or in any respect, or in the event that any one or more of the provisions of this Security Agreement operate or would prospectively operate to invalidate this Security Agreement, then and in either of those events, such provision or provisions only shall be deemed null and void and shall not affect any other provision of this Security Agreement and the remaining provisions of this Security Agreement shall remain operative and in full force and effect and shall in no way be affected, prejudiced or disturbed thereby. As used herein, the singular number shall include the plural, the plural the singular and the use of the masculine, feminine or neuter gender shall include all genders, as the context may require, and the term "person" shall include an individual, a corporation, an association, a partnership, a limited liability company, a trust and an organization. Unless varied by this Security Agreement, all terms used herein which are defined by the applicable Uniform Commercial Code shall have the same meanings hereunder as assigned to them by the applicable Uniform Commercial Code as now or hereafter in effect. The terms "sign," "signed" and

"Obligations" as used herein shall be liberally construed to include, without limitation, the obligations, indebtedness and liabilities of the Grantor to the Secured Party for, arising under, or in connection with, any and all future loans, credit facilities and financial accommodations by the Secured Party to the Grantor whether or not the same may be presently contemplated by the Documents existing on or about the date hereof. All capitalized terms used herein without definition shall have the meanings ascribed to them in the Working Capital Loan Agreement. If any provision hereof relating to the maintenance of books and records or insurance conflicts with any provision of the Loan Agreement or the Deed of Trust (as defined therein), the provisions of the Loan Agreement or Deed of Trust (as the case may be) shall control.

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

(1) If to Secured Party:

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

and

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

(2) If to the Grantor:

Fox Run Village, Inc.
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: President

and

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

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

IN WITNESS WHEREOF, the signature and seal of the Grantor is subscribed to this Security Agreement the day and year written above.

WITNESS/ATTEST:

FOX RUN VILLAGE, INC.

By: _____ (SEAL)
Bruce R. Grindrod, Jr.,
President

SCHEDULE I

Information Regarding Fox Run Village, Inc.:

1. Form of organization (i.e., corporation, partnership, limited liability company): corporation

2. State of organization, if a registered organization (i.e., corporation, limited partnership or limited liability company): Maryland

3. Principal residence, if a natural person or general partnership: N/A

4. Address of chief executive office, including the County: 701 Maiden Choice Lane, Baltimore, Maryland 21228 (Baltimore County).

5. Address where Collateral is to be located: Fox Run Village Retirement Community, Thirteen Mile Road, Oakland County, Novi, Michigan

6. EIN, if not a natural person: 52-2291271

7. SSN, if a natural person: N/A

8. Organization ID# (if any exists): MD D06083463

9. Address for books and records, if different: Same as #4 above.

10. Address of other Collateral locations, including Counties, for the past five (5) years: Thirteen Mile Road, Oakland County, Novi, Michigan

11. Name and address of landlord or owner if location is not owned: N/A

12. Other names or tradenames now or formerly used: Novi Campus, Inc.

Bank Of America - CD#13 - Control ID#1133

EXHIBIT A

LIST OF LICENSES

1. Final Order of Registration under Michigan Living Care Disclosure Act to be issued in favor of Fox Run Village, Inc. as described in letter dated January 15, 2002 from Michigan Office of Financial and Insurance Services attached hereto as Schedule I.

2. Certificate of Need No. 00-0357 dated December 20, 2001 issued by Michigan Department of Community Health in favor of Fox Run Village, Inc. authorizing lease and operation of 64 licensed nursing beds from Novi Campus, LLC.

3. All health facility construction permits issued in favor of Fox Run Village, Inc. by the Michigan Department of Consumer and Industry Services for facilities at Fox Run Village Retirement Community.

4. All licenses for operation of assisted living or nursing beds issued in favor of Fox Run Village, Inc. by Michigan Department of Consumer and Industry Services, Bureau of Health Facilities, or other competent authority for facilities at Fox Run Village Retirement Community.

3 2

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0000838286
WORK ORDER:0000567918
DATE:03-20-2002 09:55 AM
AMT. PAID:$140.00

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Fran Glushakow-Smith, Esquire (410) 528-5508

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Fran Glushakow-Smith, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: Fox Run Village, Inc.

OR 1b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

1c. MAILING ADDRESS: 701 Maiden Choice Lane | CITY: Baltimore | STATE: MD | POSTAL CODE: 21228 | COUNTRY: USA

1d. TAX ID #: SSN OR EIN: 52-2291271 | ADD'L INFO RE ORGANIZATION DEBTOR | 1e. TYPE OF ORGANIZATION: corporation | 1f. JURISDICTION OF ORGANIZATION: Maryland | 1g. ORGANIZATIONAL ID #, if any: MD D06083463 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

2c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

2d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 2e. TYPE OF ORGANIZATION | 2f. JURISDICTION OF ORGANIZATION | 2g. ORGANIZATIONAL ID #, if any ☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: Novi Campus, LLC

OR 3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS: 701 Maiden Choice Lane | CITY: Baltimore | STATE: MD | POSTAL CODE: 21228 | COUNTRY: USA

4. This FINANCING STATEMENT covers the following collateral:

All assets of Debtor.

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] | 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

File with: State Department of Assessments and Taxation of Maryland

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)
UCCNAT- 5/14/01 C T System Online

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of this 2 page document on file in this office. DATED: 3-27-02.

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

205-962

UCC APPROVAL SHEET
** KEEP WITH DOCUMENT **

TRANSACTION TYPE		FEES REMITTED
✓	UO - Original Financing Statement	$20.00
___	UOA - Original Financing Statement With Assignment	$20.00
___	UOTU - Original Financing Statement Transmitting Utility	$20.00
___	UMA - Amendment	$20.00
___	UMDA - Amendment - Debtor Added	$20.00
___	UMDC - Amendment - Debtor Name Change	$20.00
___	UMDD - Amendment - Debtor Deleted	$20.00
___	UMSA - Amendment - Secured Party Added	$20.00
___	UMSC - Amendment - Secured Party Name Change	$20.00
___	UMSD - Amendment - Secured Party Deleted	$20.00
___	UMC - Amendment - Continuation	$20.00
___	UMT - Amendment - Termination	$20.00
___	UMZ - Amendment - Assignment	$20.00
___	UMZP - Amendment - Partial Assignment	$20.00
___	UMCS - Amendment - Correction Statement	$20.00
___	UOMH - Manufactured Home - Original Financing Statement	$20.00
___	UOPF - Public Finance - Original Financing Statement	$20.00
___	Documents Nine (9) Pages or More	$75.00
___	Certified Copies	
___	Plain Copies	

TOTAL FEES: 20

1000361986789141

RECORDED ON 03/19/2002 AT 11:27 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0000567918 ACK # 1000361986789141
ORIGINAL FILE NUMBER: 00000001811128S2
LIBER: U00205 FOLIO: 0982 PAGES: 0002
RECORDING FEE: 20.00
RECORDATION TAX: 0.00
EXPEDITED FEE: 0.00

_____ Other Change(s)

_____

_____

_____

Code _____

Attention: _____

Mail to Address:

_____

_____

_____

NO FEE TRANSACTION TYPES

___ URC - Copies
___ UNCP - Void - Non-Payment
___ UCC - Cancellation
___ UCR - Reinstatement
___ UCO Departmental Action
___ UCREF - Refund Recordation Tax
___ UCIS - Incorrect ID Number
___ XOVRU - UCC Overrides
___ UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

Cash _____ Check ✓ Credit Card _____

Number of Checks 1

COMMENT(S):

Stamp Work Order and Customer Number HERE

CUST ID:0000838286
WORK ORDER:0000567918
DATE:03-20-2002 08:56 AM
AMT. PAID:$140.00

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001927944
WORK ORDER:0001370982
DATE:03-07-2007 09:07 AM
AMT. PAID:$525.00

2

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie Mar

B. SEND
The Corporation Trust Incorporated
300 E. Lombard Street, Suite 1400
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
181112852

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☒ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. ☐ AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of the two boxes.
Also check one of the following three boxes and provide appropriate information in item 6 and/or 7.
☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.
☐ DELETE name: Give record name to be deleted in item 6a or 6b.
☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:
6a. ORGANIZATION'S NAME
Fox Run Village, Inc.
OR
6b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:
7a. ORGANIZATION'S NAME
OR
7b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX
7c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY
USA
7d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 7e. TYPE OF ORGANIZATION | 7f. JURISDICTION OF ORGANIZATION | 7g. ORGANIZATIONAL ID #, if any ☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

RECEIVED
DEPARTMENT OF
ASSESSMENTS & TAXATION
2007 MAR -6 P 3:59

9. NAME OF SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.
9a. ORGANIZATION'S NAME
Mercantile-Safe Deposit and Trust Company
OR
9b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

10. OPTIONAL FILER REFERENCE DATA
File in Maryland SDAT
Matter No. 890412

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/29/98)
DMEAST #9738904 v1
B6869537SD

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 2 page document on file in this office. DATED: 2-27-07

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

504-102

UCC APPROVAL SHEET

** EXPEDITED SERVICE ** ** KEEP WITH DOCUMENT **

TRANSACTION TYPE		FEES REMITTED
√	Expedited Fee	$50.00
___	UO - Original Financing Statement	$25.00
___	UOA - Original Financing Statement With Assignment	$25.00
___	UOTU - Original Financing Statement Transmitting Utility	$25.00
___	UMA - Amendment	$25.00
___	UMDA - Amendment - Debtor Added	$25.00
___	UMDC - Amendment - Debtor Name Change	$25.00
___	UMDD - Amendment - Debtor Deleted	$25.00
___	UMSA - Amendment - Secured Party Added	$25.00
___	UMSC - Amendment - Secured Party Name Change	$25.00
___	UMSD - Amendment - Secured Party Deleted	$25.00
√	UMC - Amendment - Continuation	$25.00
___	UMT - Amendment - Termination	$25.00
___	UMZ - Amendment - Assignment	$25.00
___	UMZP - Amendment - Partial Assignment	$25.00
___	UMCS - Amendment - Correction Statement	$25.00
___	UOMH - Manufacured Home - Original Financing Statement	$25.00
___	UOPF - Public Finance - Original Financing Statement	$25.00
___	Documents Nine (9) Pages or More	$75.00
___	Certified Copies	
___	Plain Copies	

TOTAL FEES: $75.00

1000361994420630

RECORDED ON 03/08/2007 AT 03:59 PM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001370982 ACK # 1000361994420630
ORIGINAL FILE NUMBER: 00000000181112852
LIBER: U00504 FOLIO: 0102 PAGES: 0002

_____ Other Change(s)

Code _____

Attention: _____

Mail to Address:

THE CORPORATION TRUST INCORPORATED
300 E LOMBARD ST., SUITE 1400
BALTIMORE MD 21202

NO FEE TRANSACTION TYPES

___ URC - Copies
___ UNCP - Void - Non-Payment
___ UCC - Cancellation
___ UCR - Reinstatement
___ UCO Departmental Action
___ UCREF - Refund Recordation Tax
___ UCIS - Incorrect ID Number
___ XOVRU - UCC Overrides
___ UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

Cash _____ Check √ Credit Card _____

Number of Checks 1

COMMENT(S):

Stamp Work Order and Customer Number HERE

CUST ID:0001927944
WORK ORDER:0001370982
DATE:03-07-2007 09:07 AM
AMT. PAID:$525.00

3

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Fran Glushakow-Smith, Esquire (410) 528-5508

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Fran Glushakow-Smith, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202

CUST ID:0000921904
WORK ORDER:0000616976
DATE:07-16-2002 05:16 PM
AMT. PAID:$20.00

L

1a. INITIAL FINANCING STATEMENT FILE #
00000001811128852

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ☒ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. ☐ DELETE name: Give record name to be deleted in item 6a or 6b. ☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR 6b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME
Mercantile-Safe Deposit and Trust Company

OR 7b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

7c. MAILING ADDRESS: Two Hopkins Plaza | CITY: Baltimore | STATE: MD | POSTAL CODE: 21201 | COUNTRY: USA

7d. TAX ID #: SSN OR EIN | ADDL INFO RE ORGANIZATION DEBTOR | 7e. TYPE OF ORGANIZATION | 7f. JURISDICTION OF ORGANIZATION | 7g. ORGANIZATIONAL ID #, if any ☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Novi Campus, LLC

OR 9b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

10. OPTIONAL FILER REFERENCE DATA
File with: State Department of Assessments and Taxation of Maryland

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/29/98)
NATUCC3 4/23/01 C T System Online

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 3 page document on file in this office. DATED: 8-1-02.

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

225-1251

2002 JUL 15 A 11:40

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

Novi Campus, LLC

OR

12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME,SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

Debtor: Fox Run Village, Inc.

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT AMENDMENT ADDENDUM (FORM UCC3Ad) (REV. 07/29/98)

NATUCC3 4/2L/01 C T System Online

UCC APPROVAL SHEET
** KEEP WITH DOCUMENT **

TRANSACTION TYPE — FEES REMITTED

____	UO - Original Financing Statement	$20.00
____	UOA - Original Financing Statement With Assignment	$20.00
____	UOTU - Original Financing Statement Transmitting Utility	$20.00
____	UMA - Amendment	$20.00
____	UMDA - Amendment - Debtor Added	$20.00
____	UMDC - Amendment - Debtor Name Change	$20.00
____	UMDD - Amendment - Debtor Deleted	$20.00
____	UMSA - Amendment - Secured Party Added	$20.00
____	UMSC - Amendment - Secured Party Name Change	$20.00
____	UMSD - Amendment - Secured Party Deleted	$20.00
____	UMC - Amendment - Continuation	$20.00
____	UMT - Amendment - Termination	$20.00
____	UMZ - Amendment - Assignment	$20.00
____	UMZP - Amendment - Partial Assignment	$20.00
____	UMCS - Amendment - Correction Statement	$20.00
____	UOMH - Manufactured Home - Original Financing Statement	$20.00
____	UOPF - Public Finance - Original Financing Statement	$20.00
____	Documents Nine (9) Pages or More	$75.00
____	Certified Copies	
____	Plain Copies	

TOTAL FEES: _____

NO FEE TRANSACTION TYPES

____ URC - Copies
____ UNCP - Void - Non-Payment
____ UCC - Cancellation
____ UCR - Reinstatement
____ UCO Departmental Action
____ UCREF - Refund Recordation Tax
____ UCIS - Incorrect ID Number
____ XOVRU - UCC Overrides
____ UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

Cash _____ Check _____ Credit Card _____

Number of Checks _____

COMMENT(S):

1000361987258260

RECORDED ON 07/15/2002 AT 11:01 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0000616976 ACK # 1000361987258260
ORIGINAL FILE NUMBER: 00000000181112852
LIBER: U00225 FOLIO: 1251 PAGES: 0003
RECORDING FEE: 20.00
RECORDATION TAX: 0.00
EXPEDITED FEE: 0.00

_____ Other Change(s)

Code _____

Attention: _____

Mail to Address:

CHICAGO TITLE INSURANCE COMPANY
SUITE 300
1129 20TH STREET NW
WASHINGTON DC 20036

Stamp Work Order and Customer Number HERE

CUST ID:0000921904
WORK ORDER:0000616976
DATE:07-16-2002 05:16 PM
AMT. PAID:$20.00

LIBER26044PAGE138

291238
LIBER 26044 PAGE 138
$11.00 MISC UCC REAL ESTATE
$.00
07/09/2002 10:35:25 A.M. RECEIPT# 56435
PAID RECORDED - OAKLAND COUNTY
G.WILLIAM CADDELL, CLERK/REGISTER OF DEEDS

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
Fran Glushakow-Smith, Esquire (410) 528-5508

B. SEND ACKNOWLEDGMENT TO: (Name and Address)
Fran Glushakow-Smith, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202

FST

0201521
LIBER PAGE
$10.00 FINANCING STATEMENT
$.00
07/09/2002 10:35:23 A.M. RECEIPT# 56435
PAID RECORDED - OAKLAND COUNTY
G.WILLIAM CADDELL, CLERK/REGISTER OF DEEDS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: Fox Run Village, Inc.

OR 1b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

1c. MAILING ADDRESS: 701 Maiden Choice Lane | CITY: Baltimore | STATE: MD | POSTAL CODE: 21228 | COUNTRY: USA

1d. TAX ID #: SSN OR EIN: 52-2291271 | ADD'L INFO RE ORGANIZATION DEBTOR | 1e. TYPE OF ORGANIZATION: corporation | 1f. JURISDICTION OF ORGANIZATION: Maryland | 1g. ORGANIZATIONAL ID #, if any: MD D06083463 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

2c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

2d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 2e. TYPE OF ORGANIZATION | 2f. JURISDICTION OF ORGANIZATION | 2g. ORGANIZATIONAL ID #, if any ☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: Novi Campus, LLC

OR 3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS: 701 Maiden Choice Lane | CITY: Baltimore | STATE: MD | POSTAL CODE: 21228 | COUNTRY: USA

4. This FINANCING STATEMENT covers the following collateral:

All assets of Debtor.

RETURN TO FINANCE DEPT

FIN001

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) | 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) (optional) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA
Fox Run Village, Inc.

File with: Land Records of Oakland County, Michigan

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)
UCCNAT-3/14/01 C T System Online

E104318 GRECO 10.00 (21)

11.00 4P

Bank Of America - CD#13 - Control ID#1133

LIBER26044PAGE139

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME: Fox Run Village, Inc.

OR

9b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME,SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

11c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

11d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 11e. TYPE OF ORGANIZATION | 11f. JURISDICT ON OF ORGANIZATION | 11g. ORGANIZATIONAL ID #, if any ☐ NONE

12. ☐ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

12c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

13. This FINANCING STATEMENT covers ☐ timber to be cut or ☐ as-extracted collateral, or is filed as a ☒ fixture filing.

14. Description of real estate:

The real estate consists of approximately 102 acres located on Thirteen Mile Run Road, in the City of Novi, Oakland County, Michigan, which is more particularly described on Exhibit A attached hereto and incorporated by reference herein.

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

Novi Campus, LLC

17. Check only if applicable and check only one box.

Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

☐ Debtor is a TRANSMITTING UTILITY

☐ Filed in connection with a Manufactured-Home Transaction — effective 30 years

☐ Filed in connection with a Public-Finance Transaction — effective 30 years

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT ADDENDUM (FORM UCC1Ad) (REV. 07/29/98)

NATUCC1 - 5/4/01 CT System Online

Bank Of America - CD#13 - Control ID#1133

EXHIBIT A

TO UCC-1 FINANCING STATEMENT
FILED AMONG THE LAND RECORDS OF OAKLAND COUNTY, MICHIGAN

DEBTOR: FOX RUN VILLAGE, INC.

SECURED PARTY: NOVI CAMPUS, LLC

DESCRIPTION OF REAL ESTATE

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning. pt of 22-01-300-001-013

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3: pt of 22-01-300-003-013

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1 500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

PARCEL 4: pt of 22-01-300-007-013

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East,

City of Novi. Oakland County, Michigan. also except the East 350.00 feet of the West 507.00 feet of the South 354.1 4 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West. 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West. 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

pt. of 22-01-300 [009] 013

CERTIFICATE OF COPY OF RECORD
STATE OF MICHIGAN
COUNTY OF OAKLAND

I, Ruth Johnson, Register of Deeds for Oakland County, certify that I have compared the attached copy with the original record on file, and it is a true and correct transcript of the original record in Liber 40044 Page(s) 139 - 141 in testimony whereof, I have set my hand and affixed the seal of REGISTER OF DEEDS on 9-21-09.

By: Carolyne A Barnhart
DEPUTY CLERK Carolyne A. Barnhart

Per PA #53, effective 9-6-07

LIBER39305 PG867

147151
LIBER 39305 PAGE 867
$9.00 MISC UCC REAL ESTATE
$.00
07/02/2007 08:34:34 A.M. RECEIPT# 68644

PAID RECORDED - OAKLAND COUNTY
RUTH JOHNSON, CLERK/REGISTER OF DEEDS

[redacted]

RECEIVED
JUN 29 2007
Ruth Johnson Register of Deeds

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie Miller (410) 528-5509

B. SEND.
Please return to:
CT, a Wolters Kluwer business
Attn: Charlie Veak
4400 Easton Commons Way
Suite 125
Columbus, OH 43219
CST

0701679
LIBER PAGE
$15.00 FINANCING STATEMENT
$.00
07/02/2007 08:34:33 A.M. RECEIPT# 68644
PAID RECORDED - OAKLAND COUNTY

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
Land Record Book 26044, page 138 7/9/20201521

1b. ☒ This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☒ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. ☐ AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of the two boxes.
Also check one of the following three boxes and provide appropriate information in item 6 and/or 7.
☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.
☐ DELETE name: Give record name to be deleted in item 6a or 6b.
☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:
6a. ORGANIZATION'S NAME: Fox Run Village, Inc.
OR
6b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:
7a. ORGANIZATION'S NAME
OR
7b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX
7c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY: USA
7d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 7e. TYPE OF ORGANIZATION | 7f. JURISDICTION OF ORGANIZATION | 7g. ORGANIZATIONAL ID #, if any ☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

RECEIVED
JUN 29 2007
Ruth Johnson Register of Deeds
Oakland County, MI

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.
9a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company
OR
9b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

10. OPTIONAL FILER REFERENCE DATA
File in Oakland County, Michigan Land Records
RETURN TO FINANCE DEPT. Matter No. 890412

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/29/98)
CB6964017 SD

DMEAST #9818473 v1

O.K. - KB

LIBER39305 PG868
LIBER26044PAGE140

EXHIBIT A

TO UCC-1 FINANCING STATEMENT
FILED AMONG THE LAND RECORDS OF OAKLAND COUNTY, MICHIGAN

DEBTOR: FOX RUN VILLAGE, INC.

SECURED PARTY: NOVI CAMPUS, LLC

DESCRIPTION OF REAL ESTATE

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning. pt of 22-01-300-001-013

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3: pt of 22-01-300-003-013

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1 500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

PARCEL 4: pt of 22-01-300-007-013

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East,

LIBER26044PAGE1869 19305 PG869

City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.1 4 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

pt. of 22-01-300 [009] 013

CERTIFICATE OF COPY OF RECORD
STATE OF MICHIGAN
COUNTY OF OAKLAND

I, Ruth Johnson, Register of Deeds for Oakland County, certify that I have compared the attached copy with the original record on file, and it is a true and correct transcript of the original record in Liber 39305 Page(s) 601-609
in testimony whereof, I have set my hand and affixed the seal of REGISTER OF DEEDS on 9.21.09.

By: Carolyne A Barnhart
DEPUTY CLERK Carolyne A. Barnhart

Per PA #53, effective 9-6-07

[redacted]

LIBER26044PAGE142

291239
LIBER 26044 PAGE 142
$11.00 MISC UCC REAL ESTATE
$.00
07/09/2002 10:35:48 A.M. RECEIPT# 56435
PAID RECORDED - OAKLAND COUNTY
G.WILLIAM CADDELL, CLERK/REGISTER OF DEEDS

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
Fran Glushakow-Smith, Esquire (410) 528-5508

B. SEND ACKNOWLEDGMENT TO: (Name and Address)
Fran Glushakow-Smith, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202

ASF

0201522
LIBER PAGE
$10.00 FINANCING STATEMENT
$.00
07/09/2002 10:35:38 A.M. RECEIPT# 56435
PAID RECORDED - OAKLAND COUNTY
G.WILLIAM CADDELL, CLERK/REGISTER OF DEEDS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
0201521 L 26044 P 138

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. ☒

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ☒ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. ☐ DELETE name: Give record name to be deleted in item 6a or 6b. ☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

(1)

6a. ORGANIZATION'S NAME
FOX RUN VILLAGE INC

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

(2)

7a. ORGANIZATION'S NAME
Mercantile-Safe Deposit and Trust Company

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza	Baltimore	MD	21201	USA

7d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
				☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or ☐ describe collateral ☐ assigned.

CITY OF FINANCE DEPT

FIN001

O.K. - MH

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

(1)

9a. ORGANIZATION'S NAME
Novi Campus, LLC

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA
File with: Land Records of Oakland County, Michigan

E104338 GREEN

11.00 4P

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/29/98)
NATUCC3 4/23/01 CT System Online

LIBER26044PAGE143

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

Novi Campus, LLC

OR

12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME,SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

Debtor: Fox Run Village, Inc.

Bank Of America - CD#13 - Control ID#1133

EXHIBIT A

TO UCC-1 FINANCING STATEMENT
FILED AMONG THE LAND RECORDS OF OAKLAND COUNTY, MICHIGAN

DEBTOR: NOVI CAMPUS, LLC

SECURED PARTY: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

DESCRIPTION OF REAL ESTATE

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

pt of 22-01-300-[001]-013

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3: pt of 22-01-300-[003]-013

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1 500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

PARCEL 4: pt of 22-01-300-[007]-013

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East,

LIBER26044PAGE145

City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.1 4 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West. 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

pt of 22-01-300-009
013

CERTIFICATE OF COPY OF RECORD
STATE OF MICHIGAN
COUNTY OF OAKLAND

I, Ruth Johnson, Register of Deeds for Oakland County, certify that I have compared the attached copy with the original record on file, and it is a true and correct transcript of the original record in Liber 40044 Page(s) 142-145 in testimony whereof, I have set my hand and affixed the seal of REGISTER OF DEEDS on 9.21.09.

By: Carolyne A. Barnhart
DEPUTY CLERK Carolyne A. Barnhart

Per PA #53, effective 9-6-07

EXHIBIT 12

"Completion Agreements"

1. Architect's Agreement To Complete
2. Landscape Architect's Agreement To Complete
3. Construction Manager's Agreement To Complete

Document: 5.3(b)

ARCHITECT'S AGREEMENT TO COMPLETE

THIS ARCHITECT'S AGREEMENT TO COMPLETE (this "**Agreement**") is made this 6 day of FEBRUARY, 2002 by NORDSTROM SAMSON ASSOCIATES (the "**Architect**") for the benefit of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation (the "**Lender**") in connection with Loans in the aggregate maximum face amount of up to $46,000,000 (the "**Loan**"), made by the Lender to NOVI CAMPUS, LLC, a Maryland limited liability company (the "**Owner**"). The Architect represents and covenants with the Lender as follows:

1. The Architect has entered into the agreement described in Exhibit A attached hereto (the "**Contract**") with the Owner. The Contract provides for architectural services in connection with the design and construction administration of certain retirement facilities in Oakland County, Michigan (the "**Project**"). The Contract has not been modified or amended except as set forth on Exhibit A and is in full force and effect.

2. The Architect will not amend the Contract or process any change order for any single Phase approved by the Lender which either (i) results in a change which is structural and material in nature or (ii) increases the construction contract price in excess of $100,000 per change order or $300,000 in the aggregate (excluding from the aggregate, however changes previously approved by the Lender) without the Lender's prior written consent. The Architect will give the Lender notice of any default by the Owner under the Contract and agrees that the Lender, though under no obligation to do so, shall have thirty (30) days after receipt of such notice to cure such default.

3. If the Owner defaults under any term, covenant or condition of any of the documents in connection with the Loan and the Lender elects to request the Architect in writing to proceed to complete its services in connection with the Project under the aforesaid Contract, the Architect will do so without requiring payment by the Lender of any sums due the Architect from the Owner or any other person or entity for work and materials furnished prior to the Lender's written request to proceed and for which disbursements have already been made by Lender, reserving, however, all claims that the Architect may have against Owner.

4. The Architect agrees to make available for inspection by all of the Lender's duly authorized officers, agents, and designees upon reasonable notice during reasonable business hours at the Architect's office all plans, studies, drawings, specifications, blueprints, documents and correspondence in the Architect's possession, relating in any way to the design or development of the Project. The Architect further agrees to provide said officers, agents, and designees upon request, copies of any of the foregoing at the cost of reproducing copies thereof, together with the reasonable costs for time spent by Architect's employees in facilitating such an inspection and reproducing copies.

5. The Architect consents to the assignment to the Lender by the Owner of its interest in the Contract for the Project.

6. This Agreement is binding upon the Architect's successors and assigns and shall inure to the benefit of Lender's successors and assigns.

7. If the Lender disburses any proceeds of the Loan directly to the Architect, the Architect agrees that it will hold such proceeds in trust and shall apply such proceeds solely for the benefit of the Project and for no other purposes.

8. The Architect is a corporation duly organized and validly existing in good standing under the laws of the State of Michigan.

9. The Architect agrees that, in connection to any legal rights that the Lender may have hereunder, the Lender may, in the event of a default by Architect under this Agreement, specifically enforce this Agreement.

10. The Architect hereby represents that it has all licenses required by the State of Michigan to perform its work in connection with the Contract.

11. This Agreement shall be construed in accordance with the laws of the State of Maryland.

IN WITNESS WHEREOF, this Agreement is executed and delivered as of the day and year first above written.

ARCHITECT

NORDSTROM SAMSON ASSOCIATES

WITNESS:

By: _____ (SEAL)

Name: FRANK A RAY

Title: PRESIDENT / CEO

ARCHITECT'S AGREEMENT TO COMPLETE

EXHIBIT A

1. Standard Form of Agreement between Owner and Architect (AIA Document B 163), dated July 1, 2001, between Novi Campus, LLC and Nordstrom Samson Associates.

Bank Of America - CD#13 - Control ID#1133

(e)

Document: 5.3(b)

LANDSCAPE ARCHITECT'S AGREEMENT TO COMPLETE

THIS ARCHITECT'S AGREEMENT TO COMPLETE (this "Agreement") is made this 7th day of February, 2002 by KENNETH WEIKAL LANDSCAPE ARCHITECTURE (the "Architect") for the benefit of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation (the "Lender") in connection with Loans in the aggregate maximum face amount of up to $46,000,000 (the "Loan"), made by the Lender to NOVI CAMPUS, LLC, a Maryland limited liability company (the "Owner"). The Architect represents and covenants with the Lender as follows:

1. The Architect has entered into the agreement described in Exhibit A attached hereto (the "Contract") with the Owner. The Contract provides for architectural services in connection with the design and construction administration of certain retirement facilities in Oakland County, Michigan (the "Project"). The Contract has not been modified or amended except as set forth on Exhibit A and is in full force and effect.

2. The Architect will not amend the Contract or process any change order for any single Phase approved by the Lender which either (i) results in a change which is structural and material in nature or (ii) increases the construction contract price in excess of $100,000 per change order or $300,000 in the aggregate (excluding from the aggregate, however changes previously approved by the Lender) without the Lender's prior written consent. The Architect will give the Lender notice of any default by the Owner under the Contract and agrees that the Lender, though under no obligation to do so, shall have thirty (30) days after receipt of such notice to cure such default.

3. If the Owner defaults under any term, covenant or condition of any of the documents in connection with the Loan and the Lender elects to request the Architect in writing to proceed to complete its services in connection with the Project under the aforesaid Contract, the Architect will do so without requiring payment by the Lender of any sums due the Architect from the Owner or any other person or entity for work and materials furnished prior to the Lender's written request to proceed and for which disbursements have already been made by Lender, reserving, however, all claims that the Architect may have against Owner.

4. The Architect agrees to make available for inspection by all of the Lender's duly authorized officers, agents, and designees upon reasonable notice during reasonable business hours at the Architect's office all plans, studies, drawings, specifications, blueprints, documents and correspondence in the Architect's possession, relating in any way to the design or development of the Project. The Architect further agrees to provide said officers, agents, and designees upon request, copies of any of the foregoing at the cost of reproducing copies thereof, together with the reasonable costs for time spent by Architect's employees in facilitating such an inspection and reproducing copies.

Bank Of America - CD#13 - Control ID#1133

5. The Architect consents to the assignment to the Lender by the Owner of its interest in the Contract for the Project.

6. This Agreement is binding upon the Architect's successors and assigns and shall inure to the benefit of Lender's successors and assigns.

7. If the Lender disburses any proceeds of the Loan directly to the Architect, the Architect agrees that it will hold such proceeds in trust and shall apply such proceeds solely for the benefit of the Project and for no other purposes.

8. The Architect is a sole proprietor duly organized and validly existing in good standing under the laws of the State of Michigan.

9. The Architect agrees that, in connection to any legal rights that the Lender may have hereunder, the Lender may, in the event of a default by Architect under this Agreement, specifically enforce this Agreement.

10. The Architect hereby represents that it has all licenses required by the State of Michigan to perform its work in connection with the Contract.

11. This Agreement shall be construed in accordance with the laws of the State of Maryland.

IN WITNESS WHEREOF, this Agreement is executed and delivered as of the day and year first above written.

LANDSCAPE ARCHITECT

KENNETH WEIKAL LANDSCAPE ARCHITECTURE

WITNESS:

David M. Desh

By: _____ (SEAL)
Name: KENNETH S. WEIKAL
Title: OWNER

MD_DOCS_A #1160172 v2

Bank Of America - CD#13 - Control ID#1133

LANDSCAPE ARCHITECT'S AGREEMENT TO COMPLETE

EXHIBIT A

1. Standard Form of Agreement between Owner and Landscape Architect (Professional Services Contract), dated January 10, 2002, between Novi Campus, LLC and Kenneth Weikal Landscape Architecture.

Document: 5.3(f)

CONSTRUCTION MANAGER'S AGREEMENT TO COMPLETE

THIS CONSTRUCTION MANAGER'S AGREEMENT TO COMPLETE (this "**Agreement**") is made this 12th day of February, 2002 by ERICKSON CONSTRUCTION, LLC (the "**CM**") for the benefit of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation (the "**Lender**") in connection with Loans in the aggregate maximum face amount of up to $46,000,000 (the "**Loan**"), made by the Lender to NOVI CAMPUS, LLC, a Maryland limited liability company (the "**Owner**"). The CM warrants, represents and covenants with the Lender as follows:

1. The CM has entered into the agreement described in Exhibit A attached hereto (the "**Contract**") with the Erickson Retirement Communities, LLC (the "**Developer**"). The Contract provides for construction management services in connection with the design and construction of certain retirement facilities in Oakland County, Michigan (the "**Project**"). The Contract has not been modified or amended and is in full force and effect.

2. The CM will not amend the Contract or process any change order for any single Phase approved by the Lender without the Lender's prior written consent. The CM will give the Lender notice of any default by the Owner under the Contract and agrees that the Lender, though under no obligation to do so, shall have thirty (30) days after receipt of such notice to cure such default.

3. If the Owner defaults under any term, covenant or condition of any of the documents in connection with the Loan and the Lender elects to request the CM in writing to proceed to complete its services in connection with the Project under the aforesaid Contract, the CM will do so without requiring payment by the Lender of any sums due the CM from the Owner or the Developer or any other person or entity for work and materials furnished prior to the Lender's written request to so proceed and for which disbursements have already been made by Lender. CM, however, reserves unto itself all claims CM may have against Developer for unpaid sums due CM by Developer. Lender shall be obligated for all fees and expenses incurred by CM after such request.

4. The CM agrees to make available for inspection by all of the Lender's duly authorized officers, agents, and designees during reasonable business hours at the CM's office all plans, studies, drawings, specifications, blueprints, documents and correspondence in the CM's possession, relating in any way to the design or development of the Project. The CM further agrees to provide said officers, agents, and designees upon request, copies of any of the foregoing at the cost of reproducing copies thereof.

5. The CM consents to the assignment, if any, to the Lender by the Developer of its interest in the Contract for the Project.

6. This Agreement is binding upon the CM's successors and assigns and shall inure to the benefit of Lender's successors and assigns.

7. If the Lender disburses any proceeds of the Loan directly to the CM, the CM agrees that it will hold such proceeds in trust and shall apply such proceeds solely for the benefit of the Project and for no other purpose. Nothing herein shall preclude CM from disbursing to itself such sums as are justly due CM under the Contract.

8. The CM is a corporation duly organized and validly existing in good standing under the laws of the State of Maryland.

9. The CM agrees that, in connection to any legal rights that the Lender may have hereunder, the Lender may, in the event of a default by CM, specifically enforce this Agreement.

10. The CM hereby guarantees and warrants that it has or will have, prior to initiating construction activities for which such approvals are required, all permits, licenses and approvals required to perform such activities.

11. This Agreement shall be construed in accordance with the laws of the State of Maryland.

IN WITNESS WHEREOF, this Agreement is executed and delivered as of the day and year first above written.

WITNESS:

ERICKSON CONSTRUCTION, LLC

By: _____ (SEAL)
Jeffrey A. Jacobson,
Secretary

CONSTRUCTION MANAGER'S 'S AGREEMENT TO COMPLETE

EXHIBIT A

1. Construction Management Agreement between dated February 12, 2002, between Erickson Retirement Communities, LLC and Erickson Construction, LLC.

EXHIBIT 11

"Assignment Of Project Documents"

Collateral Assignment Of Project Documents

Document: 5.1

COLLATERAL ASSIGNMENT OF PROJECT DOCUMENTS

THIS COLLATERAL ASSIGNMENT OF PROJECT DOCUMENTS (this "Assignment"), is made as of February 12, 2002, by NOVI CAMPUS, LLC, a Maryland limited liability company (the "Borrower") and ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company ("Erickson") (the Borrower and Erickson being hereinafter referred to, individually and collectively, as the "Assignor"), in favor of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation (the "Assignee").

RECITALS

Borrower is indebted to the Assignee for a revolving loan and letter of credit facility in the aggregate principal amount at any one time outstanding not to exceed Forty-Six Million Dollars ($46,000,000) (the "Loan") to be advanced pursuant to a Construction Loan Agreement between the Borrower and the Assignee dated of even date herewith (together with all amendments thereto, the "Loan Agreement"), as evidenced by a Revolving Loan Note of the Borrower dated of even date herewith (together with all amendments thereto, the "Note"). The Borrower intends to use the proceeds of the Loan to finance the construction of a retirement community to be known as "Fox Run Village Retirement Community" (the "Retirement Community") on certain land located on Thirteen Mile Run Road in the city of Novi, Oakland County, Michigan (the "Land"). All obligations of the Borrower in connection with the Loan have been guaranteed by Erickson.

As a condition of the Assignee making the Loan, the Assignee has required and the Assignor has agreed to execute this Assignment of Project Documents in favor of the Assignee.

The Assignor wishes and intends, by the execution and delivery of this Assignment, to secure all obligations under the Note, the Loan Agreement and the other Loan Documents (as defined in the Loan Agreement) and to secure all of the Assignor's other obligations under the said Loan Documents.

AGREEMENTS

NOW, THEREFORE, FOR AND IN CONSIDERATION of the Assignee's agreement to make the Loan available to the Borrower and to induce the Assignee to make the Loan available to the Borrower and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and further to secure the payment and performance of the Assignor's obligations under the Guaranty and other Loan Documents (defined in the Loan Agreement), the Assignor hereby assigns to the Assignee and grants to the Assignee a security interest in all of the Assignor's right, title and interest in and to (but not the Assignee's obligations and burdens under) the following (collectively, the "Project Documents"): (a) all architectural, engineering and similar plans, specifications, drawings and reports, including all copyrights related to the foregoing, surveys, plats, permits and the like, contracts for

design, construction, operation and maintenance of, or provision of services to, the Retirement Community and/or the Land, and all sewer taps and allocations, agreements for utilities, bonds, letters of credit and the like, all relating to the Land and the Retirement Community,(b) those certain Plans and Specifications prepared by Nordstrom Samson Associates, Kenneth Weikal Landscape Architecture and/or Zeimet/Wozniak Associates, Inc. in connection with construction of the Retirement Community, together with all additions thereto and replacements, substitutions and modifications thereof (hereinafter referred to collectively as the "Plans"), and (c) all design, marketing and construction concepts, residence and care forms and leasing forms belonging to Assignor or used in connection with the Retirement Community,

UPON THE TERMS AND SUBJECT TO THE CONDITIONS hereinafter set forth:

Section 1. Assignor's Exercise of Rights. (a) Except at such time as an Event of Default (as defined in the Loan Agreement) shall have occurred and be continuing and subject to the terms hereof, the Assignor shall (i) be entitled to exercise all of the rights held by it under the provisions of the Project Documents, and (ii) have the full use and enjoyment of the Project Documents, as if this Assignment had not been made. (b) Notwithstanding the foregoing (i) the Assignor may not change or permit any changes to, the Project Documents except as may be permitted in the Loan Agreement and (ii) the Assignor may not further assign or encumber the Assignor's interest in the Project Documents.

Section 2. Nonliability of Assignee. The Assignee shall not be obligated to perform or discharge any of the Assignor's obligations under the provisions of the Project Documents and the Assignor shall defend, indemnify and hold harmless the Assignee against and from any and all liability or any claim thereof, arising out of any of Project Documents or this Assignment, except for liability or claims caused by Assignee.

Section 3. Effectiveness of this Assignment. On payment and performance in full of all of the Borrower's obligations under the Loan Agreement, the Note and the other Loan Documents, this Assignment shall be and become null, void and of no further force or effect; provided, that the affidavit, certificate, letter or statement of any officer, agent or attorney of the Assignee stating that any of such obligations remain unpaid, or that any such other obligation remains unperformed, shall be conclusive evidence of the validity and continuing force and effectiveness of this Assignment, and any person shall be entitled to rely thereon. The Assignor hereby authorizes and directs each other party to the Project Documents, upon such party's receipt of a written notice to such effect from the Assignee, to perform all of such parties' obligations under the Project Documents for, on behalf of and at the direction of the Assignee.

Section 4. Nonwaiver by Assignee. Nothing in the provisions of this Assignment, and no action taken or omitted by the Assignee pursuant to the provisions hereof, shall be deemed in any way to constitute a waiver by the Assignee of any of its rights under the provisions of the Project Documents and this Assignment is made and accepted without prejudice to any of such rights.

Section 5. Foreclosure. Upon the occurrence of an Event of Default (as defined in the Loan Agreement), the Assignor's entire right, title and interest in and to the Project

Documents under this Assignment or otherwise shall, at the Assignee's option, vest absolutely in the Assignee.

Section 6. Representations. The Assignor hereby represents and warrants to the Assignee that, at the time of the execution and delivery of this Assignment,

6.1 the Assignor has not given or received any notice of any default by it or any other party to the Project Documents in performing their obligations under the provisions of the Project Documents and, to the best of the Assignor's knowledge, information and belief, no such party is in default in performing such obligations;

6.2 except for assignments in favor of the Assignee, the Assignor has not heretofore assigned, transferred or encumbered any or all of its rights in, to or under the provisions of, the Project Documents;

6.3 the Project Documents provided to the Assignee to date have not been amended or otherwise modified in any manner except pursuant to amendments and modifications which have been provided to the Assignee or have been incorporated into the Project Documents which have been provided to the Assignee and the Project Documents are in full force and effect;

6.4 the copies of the Project Documents which have been provided to the Assignee by the Assignor are true copies thereof;

6.5 the Assignor has the absolute right to make this Assignment of Project Documents and there is no other party or person that has an interest in the Project Documents (except for the other contracting parties to the Project Documents); and

6.6 no consent to this Assignment by any other Person is required or, if required, such consent has been obtained by the Assignor.

Section 7. General.

7.1 Amendment. This Assignment may be amended only by an instrument in writing executed and delivered by each party hereto.

7.2 Waiver. No party hereto shall be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing (and, without limiting the generality of the foregoing, no delay or omission by any party hereto in exercising any such right shall be deemed a waiver of its future exercise). No such waiver made in any instance involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right.

7.3 Waiver of Jury Trial. The Assignor hereby waives all rights to a jury in any action, counterclaim, or proceeding based upon, or related to, this Agreement or any of the Loan Documents. This waiver applies to all claims against all parties to such actions and proceedings, including parties who are not parties to this Agreement. This waiver is knowingly, intentionally, and voluntarily made by the Assignor, who acknowledges that it has been represented in the execution of this Agreement and in the making of this waiver by independent

legal counsel, selected of its own free will, and that it has had the opportunity to discuss this waiver with counsel. The Assignor further acknowledges that it has read and understands the meaning and ramifications of this waiver provision.

7.4 Applicable Law. This Assignment shall be given effect and construed by application of the law of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the granting, perfection and enforcement of security interests in collateral, the law of the jurisdiction in which the collateral is located (or which otherwise applies to security interests in collateral) shall govern.

7.5 Headings. The headings of the Sections, subsections, paragraphs and subparagraphs hereof are provided herein for and only for convenience of reference, and shall not be considered in construing their contents.

7.6 Construction. As used herein, all references made (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well, (c) to any Section, subsection, paragraph or subparagraph shall, unless therein expressly indicated to the contrary, be deemed to have been made to such Section, subsection, paragraph or subparagraph of this Assignment, and (d) to the "Assignor" or the "Assignee" shall be deemed to refer to the persons hereinabove so named and their respective heirs, personal representatives, successors and assigns. The Recitals are incorporated herein as a substantive part of this Assignment and the parties hereto acknowledge that such Recitals are true and correct.

7.7 Exhibits. Each writing or plat referred to herein as being attached hereto as an exhibit or otherwise designated herein as an exhibit hereto is hereby made a part hereof.

7.8 Assignment. This Assignment shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns hereunder.

7.9 Severability. No determination by any court, governmental body or otherwise that any provision of this Assignment or any amendment hereof is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other provision thereof, or (b) such provision in any circumstance not controlled by such determination. Each such provision shall be valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, applicable law.

7.10 Time of the Essence. Time is of the essence of this Agreement and each and every term, covenant and condition contained herein.

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

(1) If to Assignee: Mercantile-Safe Deposit and Trust Company

Two Hopkins Plaza
Baltimore, Maryland 21201
Attention: Bruce D. McLean,
Senior Vice President

with a copy to: Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, Suite 1900
Baltimore, Maryland 21202

(2) If to Assignor: Novi Campus, LLC
Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: Chief Operating Officer

with a copy to: General Counsel
Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228

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

IN WITNESS WHEREOF, the Assignor has executed and ensealed this Collateral Assignment of Project Documents or caused it to be executed and ensealed on its behalf by its duly authorized representative, the day and year first above written.

WITNESS:

NOVI CAMPUS, LLC
By: Erickson Retirement Communities, LLC, Member

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and
Chief Operating Officer

ERICKSON RETIREMENT COMMUNITIES, LLC

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and
Chief Operating Officer

EXHIBIT 10

1. **"Security Agreement"**

   Security Agreement, Pledge And Collateral Assignment Of Licenses And Residence And Care Agreements
   (By Novi Campus, LLC and Erickson Retirement Communities, LLC)

2. **"Financing Statements"**
   Debtor: Novi Campus, LLC; Secured Party: Lender

   a. UCC-1 Financing Statement Recorded With The Maryland State Department Of Assessments And Taxation

   b. UCC-1 Financing Statement Recorded Among The Land Records Of Oakland County, Michigan

   c. UCC-1 Financing Statement Recorded Among The Financing Statement Records Of Oakland County, Michigan

DOCUMENT: 1.6

SECURITY AGREEMENT, PLEDGE AND COLLATERAL ASSIGNMENT OF LICENSES AND RESIDENCE AND CARE AGREEMENTS

THIS SECURITY AGREEMENT, PLEDGE AND COLLATERAL ASSIGNMENT OF LICENSES AND RESIDENCE AND CARE AGREEMENTS (this "Security Agreement") is made as of the 12th day of February, 2002, in favor of **MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY**, a Maryland banking institution (the "Lender") by **NOVI CAMPUS, LLC** ("NC") and **ERICKSON RETIREMENT COMMUNITIES, LLC** ("Erickson"), each a Maryland liability company (individually, a "Grantor" and collectively, the "Grantors").

The Lender and Novi Campus, LLC (one of the parties identified above as a Grantor, and which is also sometimes hereinafter referred to as the "Borrower"), have entered into a Construction Loan Agreement dated of even date herewith (which Construction Loan Agreement, as the same may at any time and from time to time be amended, restated, supplemented, or otherwise modified, is herein called the "Loan Agreement"). Pursuant to the Loan Agreement, the Borrower has executed and delivered to the Lender a Revolving Loan Note dated of even date herewith from the Borrower to the Lender (which Revolving Loan Note, as the same may at any time and from time to time be amended, restated, extended, renewed, supplemented, replaced or otherwise modified, is herein called the "Note"). The proceeds of the loan evidenced by the Note will be used for construction of the Retirement Community described in the Loan Documents (the "Retirement Community").

In order to induce the Lender to enter into the Loan Agreement, Erickson, (and others) have guaranteed the Borrower's obligations under the Loan Agreement, the Note and the other Loan Documents (as defined therein), pursuant to a Guaranty Agreement dated of even date herewith by and between Erickson, (and others) and the Lender, as the same may from time to time hereafter be amended, restated, supplemented or otherwise modified (the "Guaranty Agreement").

Each Grantor agrees with the Lender as follows in order to secure (a) the prompt payment of the "Obligations," which term as used herein shall mean and include all past, present and future indebtedness, liabilities and obligations of any kind and nature whatsoever of each Grantor to the Lender, including, without limitation, such indebtedness, liabilities and obligations of the Grantors to the Lender, both now existing and hereafter arising under, in connection with, or as a result of the Loan Agreement, the Note, the Guaranty, and any of the other Loan Documents (as hereinafter defined), and (b) the performance of all of the terms, conditions, and provisions of each of the "Loan Documents," which term as used herein shall have the same meaning as ascribed to it in the Loan Agreement.

1. Collateral. Each Grantor hereby pledges and assigns to the Lender, and grants to the Lender a security interest in, and lien on, all of the assets of such Grantor of every kind whatsoever, including but not limited to each item of property of such Grantor described below, and in all cash and non-cash proceeds and products thereof, including the Borrower

Collateral Account (as hereinafter defined) and all funds at any time on deposit therein, and all proceeds of all insurance policies covering all or any part of such property (collectively, the "Collateral"):

a. Inventory. All of each Grantor's inventory (as such term is defined in the applicable Uniform Commercial Code, as now or hereafter in effect), including, without limitation, embedded software, wherever located, both now owned and hereafter acquired, and as the same may now and hereafter from time to time be constituted, together with all cash and non-cash proceeds and products thereof.

b. Accounts. All of each Grantor's accounts (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), and including, without limitation, all notes, notes receivable, amounts due to the Grantor under any leases, drafts, acceptances and similar instruments and documents both now owned and hereafter acquired, (including all accounts receivable and notes receivable and related collateral or security interests arising from loans made to, or from the lease of any property to, Fox Run Village, Inc., a Maryland non-profit corporation (sometimes referred to as "FRVI" and sometimes referred to as "Tenant") all receivables arising out of the use of a credit or charge card or information contained on or for use with the card, all "health-care insurance receivables" (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), all Supporting Obligations, letter-of-credit rights and letters of credit given by any person with respect to any of the foregoing, and all books and records in whatever media (paper, electronic or otherwise) recorded or stored, with respect to any or all of the foregoing and all equipment and general intangibles necessary to retain, access and/or process the information contained in those books and records, together with (i) all cash and non-cash proceeds thereof, and (ii) all returned, rejected or repossessed goods, the sale or lease of which shall have given or shall give rise to an account and all cash and non-cash proceeds and products of all such goods. Each Grantor's accounts shall include any and all amounts which it is entitled to receive under any of the Community Documents described in the Loan Agreement, including amounts received or entitled to be received in connection with the "Lease" and the "Working Capital Loan Documents" described in the Loan Agreement, as well as the proceeds of all loans which any Grantor receives or is entitled to receive under the "Community Loan Documents" described in the Loan Agreement.

c. General Intangibles. All of each Grantor's general intangibles (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), including, without limitation, all things in action, contractual rights, goodwill, literary rights, rights to performance, copyrights, trademarks, servicemarks, patents, judgments, and awards, general and limited partnership interests, membership interests in limited liability companies, tax refunds and rights or claims with respect to taxes paid, commercial tort claims, payment intangibles and Supporting Obligations, both now owned and hereafter acquired, together with all cash and non-cash proceeds and products thereof. Each Grantor's general intangibles shall include all of such Grantor's rights under the Community Documents described in the Loan Agreement, including the Lease, the Community Loan Documents, the Working Capital Loan Documents, and the Management Agreement. No Grantor may amend or alter, or give any consent or waiver under the terms of, any of the said Community Documents, including the

Lease, the Community Loan Documents, the Working Capital Loan Documents, and the Management Agreement, without the prior written consent of the Lender.

d. Chattel Paper. All of each Grantor's chattel paper (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect) both now owned and hereafter existing, acquired or created, and including, without limitation, all records (including, without limitation, electronic chattel paper) which evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, or a lease of specific goods, together with (i) all moneys due and to become due thereunder, (ii) all Supporting Obligations with respect thereto, (iii) all cash and non-cash proceeds thereof, and (iv) all returned, rejected or repossessed goods, the sale or lease of which shall have given or shall give rise to chattel paper and all cash and non-cash proceeds and products of all such goods. Additionally, each Grantor assigns and grants to the Secured Party a security interest in all property and goods both now owned and hereafter acquired by the Grantor which are sold, leased, secured, serve as security for, are the subject of, or otherwise covered by, the Grantor's chattel paper, together with all rights incident to such property and goods and all cash and non-cash proceeds thereof.

e. All Equipment and Fixtures. All of each Grantor's equipment (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect) and fixtures, both now owned and hereafter acquired, including, without limitation, embedded software, together with (i) all additions, parts, fittings, accessories, special tools, attachments and accessions now and hereafter affixed thereto and/or used in connection therewith; (ii) all replacements thereof and substitutions therefor; and (iii) all cash and non-cash proceeds and products thereof.

f. Licenses. Except to the extent prohibited under applicable law and by the terms of the Licenses (as hereinafter defined), all right, title and interest of the each Grantor in, to and under the Licenses, including all liens and security interests with respect thereto, together with all rights, privileges and entitlements thereunder; provided, however, that nothing contained herein shall impose upon the Lender any of the obligations or liabilities of any Grantor under the Licenses, and provided further that the Lender shall not exercise any rights under such Licenses unless and until an Event of Default has occurred. For the purposes hereof, "Licenses" shall mean and include any and all licenses, certificates of need, certificates or orders of registration, operating permits, franchises, and other governmental authorizations and approvals, now or hereafter existing with respect to the acquisition, construction, renovation, expansion, leasing, ownership and/or operation of the Fox Run Village Retirement Community (hereinafter referred to as the "Retirement Community"), including all certificates of need, licenses and other authorizations of any kind in connection with any nursing home or other health care facilities which are a part of the Retirement Community, and any and all licenses issued by any governmental authority relating to the operation of food and beverage facilities and/or amenities, all "health care insurance receivables" (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect) and any and all third-party payment contracts under which payment may be made for services rendered at the Retirement Community, including, but not limited to, Medicare and Medicaid provider agreements issued to any Grantor and/or to the Retirement Community, together with all additions to, modifications of and substitutions for any of the foregoing. The Licenses include those items on Exhibit A hereto.

g. Residence and Care Agreements. All of each Grantor's right title and interest in and to all "Residence and Care Agreements" (together with all annexes, schedules and ancillary agreements related thereto) with residents of the Retirement Community, including any collateral rights of each Grantor therein.

h. Cash and Deposits. All cash, cash equivalents, credits, securities, notes, and instruments, and all "deposit accounts" (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), including, all bank accounts, savings accounts, investment accounts, money market accounts and other such accounts of any nature and all funds, investments and securities on deposit therein, whether held by the Secured Party or by any other person or institution (collectively, "Funds"). All such Funds shall be deemed to be held for the benefit of the Lender, or, if held by another party, by such party as agent for the Lender for the purpose of perfecting the Lender's pledge of and security interest therein. The Funds shall include, without limitation, all of each Grantor's interests in each of the "Bank Accounts" described in the Loan Agreement. Each Grantor agrees that the said Bank Accounts shall at all times be established and operated in accordance with the descriptions of the said Bank Accounts contained in the Loan Agreement and other Loan Documents. The Lender shall at all times have exclusive dominion and control over the said Bank Accounts, and no Grantor shall have any rights to withdraw funds from any of the said Bank Accounts except as provided in the Loan Agreement.

i. Instruments. All of each Grantor's instruments (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect) and including, without limitation, all letters of credit issued to or for the benefit of the Grantor, both now and hereafter owned, existing or acquired.

j. Documents, Goods, Motor Vehicles. All of each Grantor's now and hereafter existing documents, documents of title or receipts covering, evidencing or representing any Inventory, goods, motor vehicles or other property both now and hereafter owned or purchased by the Grantor or for which the Grantor has contracted to purchase.

k. Investment Property. All of the Grantor's investment property (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), including, without limitation, all securities (whether certificated or uncertificated), security entitlement securities, account commodity contracts and commodity accounts, and all proceeds (cash and non-cash proceeds) of and Supporting Obligations with respect to the foregoing.

l. Supporting Obligations. All supporting obligations (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), and including, without limitation, all letter of credit rights, secondary obligations and obligations of a secondary obligor, and secondary obligations that support the payment or performance of an Account, Chattel Paper, a Document, a General Intangible, an Instrument, or Investment Property.

m. Limitations. Notwithstanding the foregoing, the Collateral pledged by Erickson, shall include only those assets of Erickson, which are located at, or are used solely in connection with, or relate to, or arise from the Retirement Community, its development,

financing and operation. With respect to computer systems owned by Erickson, or in which Erickson otherwise has rights, the Collateral shall include only the information (in whatever form, and on whatever media stored or retained by Erickson) related to the Retirement Community, the media on which information is stored or retained, and only those items of hardware, software, utilities and peripherals which are required to be used in order to retain, access, and/or process such information as stored and retained on such media.

2. Payment and Performance. Each Grantor will pay the Obligations to be paid by such Grantor as and when due and payable and will perform, comply with, and observe the terms and conditions of the Loan Documents to be performed, complied with and observed by such Grantor.

3. Representations and Warranties. (a) Each Grantor represents and warrants, with respect to Collateral owned by it, that it is the sole owner of such Collateral and has good and marketable title to such Collateral free and clear of all liens, charges, security interests and other encumbrances except for those in favor of the Lender and those previously disclosed in writing to the Lender and permitted by the Loan Agreement. Upon request of the Lender, each Grantor shall deliver to the Lender all certificates of title, certificates of origin or other evidence of the Grantor's ownership of the Collateral as may be required by the Lender.

(b) Each Grantor represents and warrants to the Lender as of the date hereof and as of the date any future Licenses are issued to, or acquired by, the Grantor that:

i. the licenses and permits listed on Exhibit A attached hereto constitute all material Licenses required to construct, develop and operate the Retirement Community and to provide the range of services and care as conducted or intended to be conducted at the Retirement Community;

ii. all of the Licenses have been issued in the names of one or more of the Grantor(s), or in the name of FRVI, as indicated on Exhibit A;

iii. there has been no breach of any condition to the issuance, maintenance, renewal and/or continuance of any of the Licenses, and no event has occurred which, with the giving of notice or the passage of time, or both, would constitute such a breach;

iv. all fees, charges and other expenses have been paid, all information has been provided and all material conditions precedent to the issuance, maintenance, renewal, and continuance thereof have been complied with, with respect to all of the Licenses;

v. none of the Grantors has received any notice from any governmental authority of any actual, pending or threatened, suspension, revocation, restriction or imposition of any probationary use of any of the Licenses, or any material amendments or modifications to the Licenses;

vi. this Assignment is the only assignment by the Grantors of any of the Licenses;

vii. the Licenses are free and clear of all liens, security interests and other encumbrances, except for liens granted to the Grantors or for liens granted to Lender;

viii. none of the Licenses has been or is expected to be issued for a period of less than twelve (12) months unless such license is normally issued for a period of less than twelve (12) months in which case, such License has been or is expected to be issued for a period the duration of which is customary for such License; and

ix. the Grantors have the full power and authority to execute and deliver this Assignment and to perform and comply with the terms and conditions hereof, all of which have been duly authorized.

4. Further Assurances. The Grantors will, jointly and severally, defend their title to the Collateral against all persons and will upon request of the Lender, promptly (a) furnish such further assurances of title as may reasonably be required by the Lender; and (b) deliver, and execute and/or authorize the filing of or cause to be delivered and executed, in form and content satisfactory to the Lender, any financing, continuation, amendment, termination or security interest filing statement, security agreement or other document as the Lender may request in order to perfect, preserve, maintain or continue the perfection of the Lender's security interest in the Collateral and/or its priority. The Grantors will, jointly and severally, pay the costs of filing any and all financing, continuation, termination or security interest filing statement as well as any recordation or transfer tax required by law to be paid in connection with the filing or recording of any such statement. The Grantors, jointly and severally, hereby covenant to save harmless and indemnify the Lender from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, and recording costs incurred by the Lender in connection with this Security Agreement, which covenant shall survive the termination of this Security Agreement and the payment of the Obligations. A carbon, photographic or other reproduction of a financing statement is sufficient as a financing statement. This Security Agreement (and reproductions thereof) shall also constitute, and may be filed among the records of any jurisdiction as, a financing statement. Without implying any limitation on the foregoing, with respect to the Collateral that may be perfected by control, the Grantor shall take such steps as the Secured Party may require in order that Secured Party may have such control. To the extent that the proceeds of any of the Accounts are expected to become subject to the control of, or in the possession of, a party other than the Grantor or the Secured Party, the Grantor shall cause all such parties to execute and deliver on the date of this Security Agreement and from time to time hereafter security documents, financing statements or other documents as requested by the Secured Party and as may be necessary to evidence and/or perfect the security interest of the Secured Party in those proceeds. The Grantor hereby irrevocably appoints the Secured Party as the Grantor's attorney-in-fact, with power of substitution, in the name of the Secured Party or in the name of the Grantor or otherwise, for the use and benefit of the Secured Party, but at the cost and expense of the Grantor and without notice to the Grantor, to execute and deliver any and all of the Instruments and other documents and take any action which the Secured Party may require pursuant the foregoing provisions of this Section, but only in order to further assure the lien, priority and perfection of the security interests created under this Security Agreement. Further, except to the extent prohibited by applicable laws, the Secured Party may file, without the Grantor's signature, one or more financing statements or other notices disclosing the Secured Party's liens and other security interests. All financing statements and notices may

describe the Secured Party's collateral as all assets or all personal property of Grantor. Notwithstanding, the filing of such "all assets" financing statements, the scope of the Secured Party's liens and security interests with respect to the Collateral shall be governed by the granting language of the Loan Documents. Furthermore, notwithstanding the provisions of this Security Agreement regarding control, the Grantors shall not be obligated to obtain or provide evidence or documentation of control with respect to any funds now or hereafter held by the Escrow Agent (as defined in the Loan Agreement) under the Escrow Agreement (as defined in the Loan Agreement), unless and until such funds are released from the Escrow Agreement in accordance with the terms thereof.

5. Transfer and Other Liens. Except as otherwise expressly permitted in the Loan Agreement, the Grantors, jointly and severally agree that they will not sell, lease, transfer, exchange or otherwise dispose of the Collateral, or any part thereof or interest therein, without the prior written consent of the Lender, and that they will not permit any lien, security interest or other encumbrance to attach to the Collateral, or any part thereof, other than those in favor of the Lender or those permitted by the Lender in writing, except that each Grantor may, in the ordinary course of its business, and in the absence of an Event of Default hereunder, collect its accounts and Chattel Paper and sell its Inventory, and grant purchase money liens to secure the purchase price of newly acquired equipment and vehicles.

6. Consents. Without notice to and further consent of any of the Grantors, without in any way waiving any of the provisions of this Security Agreement and without in any way releasing all or any part of the Obligations and/or of the Collateral, each Grantor hereby consents (a) to any extension of time for payment of any of the Obligations; (b) to any renewal, modification, waiver or release of any of the Obligations and of any of the Loan Documents; (c) to the addition to or release of, any or all of the Grantors or of any other maker, accommodation maker, endorser, guarantor, surety or indemnitor of any of the Obligations and of any of the Loan Documents; (d) to the addition to or release of all or any part of the collateral and security for any of the Loan Documents and all or any part of the Collateral hereunder; and (e) to any indulgence and/or waiver given to any or all of the Grantors or to any other maker, accommodation maker, endorser, guarantor, surety or indemnitor of any of the Obligations.

7. Books and Records. Each Grantor will (a) at all times maintain, in accordance with generally accepted accounting principles, accurate and complete books and records pertaining to its operation, business and financial condition and pertaining to its interest in the Collateral and any contracts and collections relating to the Collateral; (b) furnish to the Lender promptly upon request and in the form and content and at the intervals specified by the Lender, such financial statements, reports, schedules and other information with respect to its operation, business, affairs and financial condition as the Lender may from time to time reasonably require; (c) at all reasonable times and without hindrance and delay, permit the Lender or any person designated by the Lender to enter any place of business of the Grantors or any other premises where any books, records and other data concerning the Grantors and/or the Collateral may be kept and to examine, audit, inspect and make extracts from and photocopies of any such books, records and other data; (d) furnish to the Lender promptly upon request and in the form and content specified by the Lender lists of account debtors, lists of purchasers of inventory, aging of Accounts, aggregate cost or wholesale market value of inventory, schedules of equipment and other data concerning the Collateral as the Lender may from time to time

specify; and (e) mark its books and records in a manner satisfactory to the Lender so that the Lender's rights in and to the Collateral will be shown.

8. Names of Grantors, Places of Business and Organization of Grantors and Location of Collateral. Each Grantor represents and warrants that its correct legal name is as specified on Schedule I attached hereto and that each legal or trade name of such Grantor used during the previous five (5) years (if different from such Grantor's current legal name) is as specified on Schedule I attached hereto. Without prior written notice to the Lender, no Grantor will change its name. Each Grantor warrants that such Grantor is organized and existing under the laws of the State set forth on Schedule I attached hereto and that the address of its chief executive office and the address of each other places of business of such Grantor are as specified on Schedule I attached hereto. The Collateral and all books and records pertaining to the Collateral have been for the previous four (4) months (unless acquired by one or more of the Grantors during the previous four (4) months), are only at the chief executive offices specified on Schedule I attached hereto and will be in the future at such executive offices and/or at the situs of the Retirement Community. Each Grantor will immediately advise the Lender in writing of the opening of any new place of business or the closing of any of its existing places of business, and of any change in the State of its organization, the location of its chief executive office and the places where the Collateral, or any part thereof, or the books and records concerning the Collateral, or any part thereof, are kept.

9. Care of Collateral. Each Grantor will maintain the Collateral in good condition and will not do or permit anything to be done to the Collateral that may impair its value or that may violate the terms of any insurance covering the Collateral or any part thereof. The Lender shall have no duty to, and each Grantor hereby releases the Lender from all claims for loss or damage caused by the failure to, collect or enforce any Account, General Intangible, Supporting Obligation or Chattel Paper or to preserve rights against prior parties to the Collateral.

10. Insurance. Each Grantor will insure such of the Collateral as specified by the Lender against such casualties and risks in such form and amount as may from time to time be required by the Lender. All insurance proceeds shall be payable to the Lender and all policies or certificates of insurance shall be furnished to the Lender. Each Grantor will pay all premiums due or to become due for such insurance and hereby assigns to the Lender any returned or unearned premiums which may be due upon cancellation of insurance coverage. The Lender is hereby irrevocably (a) appointed as each Grantor's attorney-in-fact to endorse in the name of any Grantor and/or the Lender any draft or check which may be payable to such Grantor in order to collect such returned or unearned premiums or the proceeds of insurance after the occurrence of an Event of Default; and (b) authorized to apply such insurance proceeds after the occurrence of an Event of Default in the same manner and order as the proceeds of sale or other disposition of the Collateral are to be applied pursuant to paragraph 22 hereof.

11. Taxes. Each Grantor will pay as and when due and payable all taxes, levies, license fees, assessments and other impositions levied on the Collateral or any part thereof or for its use and operation, subject to any right to contest provided in the Loan Documents.

12. Equipment not Fixtures. Each Grantor warrants that all equipment which constitutes a part of the Collateral is personalty and is not and will not be affixed to real estate in such manner as to become a fixture or part of such real estate. If, in the opinion of the Lender, any such equipment is or may become part of any real estate (other than the real estate covered by the Mortgage described in the Loan Agreement), the Grantors will furnish to the Lender a written waiver by the record owner of such real estate of all interest in such equipment and a written subordination to the Lender's security interest and lien by any person who has a lien on or security interest in such real estate which is or may be superior to the Lender's security interest hereunder.

13. Specific Security Agreements or Assignments. Promptly, upon request by the Lender, each Grantor will execute and deliver to the Lender written security agreements, assignments, endorsements and/or schedules, in form and content satisfactory to the Lender, of specific items of Collateral, including specific Chattel Paper, General Intangibles, Supporting Obligations and Accounts or groups of Chattel Paper, General Intangibles, Supporting Obligations or Accounts, but the security interest of the Lender hereunder shall not be limited in any way by such assignments. Such specific assignments are to secure payment of the Obligations and performance of the Loan Documents and are not intended to evidence a sale to the Lender (whether or not any assignments thereof separate from this Security Agreement are in form absolute).

14. Delivery, etc. of Chattel Paper and Other Collateral. Each Grantor will promptly upon request by the Lender, deliver, assign and endorse to the Lender all Chattel Paper and all other documents held by such Grantor in connection therewith, and any other Collateral in which a security interest must be perfected by possession.

15. Government Contracts. If any Account or Chattel paper arises out of a contract or contracts with the United States of America or any department, agency, or instrumentality thereof, the Grantors shall immediately notify the Lender thereof in writing and execute any instruments or take any steps required by the Lender in order that all moneys due or to become due under such contract or contracts shall be assigned to the Lender and notice thereof given under the Federal Assignment of Claims Act.

16. Collateral Account. If all or any part of the Collateral at any time consists of inventory, accounts, general intangibles or chattel paper, the Borrower will, deposit or cause to be deposited to a bank account designated by the Lender and from which the Lender alone has power of access and withdrawal (the "Borrower Collateral Account") all checks, drafts, cash and other remittances in payment or on account of payment of such inventory, accounts, general intangibles or chattel paper and the cash proceeds of such accounts, general intangibles or chattel paper, including but not limited to any "Entrance Deposits" received from any residents pursuant to Residence and Care Agreements, (all of the foregoing herein collectively referred to as "items of payment"). The Borrower shall deposit such items of payment for credit to the Borrower Collateral Account as and when required by the Loan Agreement, and in precisely the form received, except for the endorsement of the Borrower where necessary to permit the collection of such items of payment, which endorsement the Borrower hereby agrees to make. Pending such deposit, the Borrower will not commingle any such items of payment with any of its other funds or property, but will hold them separate and apart. The Lender will apply the whole or any part

of the collected funds credited to the Borrower Collateral Account in accordance with the Loan Agreement against the Obligations, or credit such collected funds to a banking account of the Borrower with the Lender, the order and method of such application to be in the sole discretion of the Lender.

17. Rights of Lender and Duties of Grantor. If all or any part of the Collateral at any time consists of Inventory, Accounts, General Intangibles, Supporting Obligations or Chattel Paper: (a) the Lender may, upon the occurrence of an Event of Default, at any time and from time to time, and each Grantor hereby irrevocably appoints the Lender as its attorney-in-fact, with power of substitution, in the name of the Lender or in the name of such Grantor or otherwise, for the use and benefit of the Lender, but at the cost and expense of the Grantors, jointly and severally, and without notice to the Grantors, (i) notify the account debtors obligated on any of the Collateral (including FRVI, with respect to the Working Capital Loan) to make payments thereon directly to the Lender, and to take control of the cash and non-cash proceeds of any such Collateral, (ii) charge to any banking account of the Borrower with the Lender any item of payment credited to the Borrower Collateral Account which is dishonored by the drawee or maker thereof; (iii) compromise, extend, or renew any of the Collateral or deal with the same as it may deem advisable; (iv) release, make exchanges, substitutions, or surrender, all or any part of the Collateral; (v) remove from each Grantor's place of business all books, records, ledger sheets, correspondence, invoices and documents, relating to or evidencing any of the Collateral or without cost or expense to the Lender, make such use of the Grantors' places of business as may be reasonably necessary to administer, control and collect the Collateral; (vi) repair, alter or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any account debtor; (vii) demand, collect, receipt for and give renewals, extensions, discharges and releases of any of the Collateral; (viii) institute and prosecute legal and equitable proceedings to enforce collection of, or realize upon, any of the Collateral; (ix) settle, renew, extend, compromise, compound, exchange or adjust claims with respect to any of the Collateral or any legal proceedings brought with respect thereto; (x) endorse the name of the appropriate Grantor upon any items of payment relating to the Collateral or upon any Proof of Claim in Bankruptcy against an account debtor; and (xi) receive and open all mail addressed to the Grantors and, if an Event of Default exists hereunder, notify the Post Office authorities to change the address for the delivery of mail to the Grantors to such address as the Lender may designate; and (b) the Grantors will (i) make no material change to the terms of any lease or of any Account, General Intangible, Supporting Obligation or Chattel Paper without the prior written permission of the Lender; and (ii) on demand, make available in form acceptable to the Lender documents and receipts evidencing any transaction giving rise to any lease, Account, General Intangible, Supporting Obligation or Chattel Paper, completion certificates or other proof of the satisfactory performance of services which gave rise to an Account, a General Intangible, Supporting Obligation or Chattel Paper, and each Grantor's copy of any written contract or order from which a lease, an Account, a General Intangible, Supporting Obligation or Chattel Paper arose.

18. Covenants Relating to the Licenses. Each Grantor hereby covenants and agrees as follows:

a. Each Grantor shall take any and all steps necessary to renew the Licenses in accordance with all applicable laws, rules and regulations and shall fully, promptly

and faithfully comply with and perform its obligations and duties under the Licenses in accordance with the terms thereof, including, without limitation, (i) the payment of any and all issuance, renewal or other fees, charges, assessments and other expenses assessed by any issuing governmental authority in connection with any of the Licenses, (ii) the filing of any and all reports, surveys, schedules, certificates, applications and other items required by any issuing governmental authority as a condition precedent to any renewal, issuance, or continuance of any of the Licenses, and (iii) the operation and maintenance of the Retirement Community in compliance with all laws, rules and regulations imposed upon and governing retirement communities, assisted living facilities and comprehensive care facilities in general, and the Retirement Community in particular.

b. No Grantor shall (i) request any changes or amendments to any of the Licenses that are not customarily made in the ordinary course of business, or (ii) terminate, restrict, or cancel any of the Licenses, to the extent any such changes, amendments, termination, restriction or cancellation could have a materially adverse effect on the financial condition or operations of the Grantor.

c. Each Grantor will promptly (i) furnish to the Lender evidence of the issuance, renewal or continuance of any of the Licenses, and evidence of compliance with all of the conditions under which any of the Licenses exists, and (ii) inform the Lender of any notices received relating to the threatened or actual revocation, restriction, suspension or expiration of any of the Licenses, including any proposed or actual admission ban or restriction.

d. Each Grantor will promptly notify the Lender in writing of the happening of any of the following events: (i) any modification of any of the Licenses, if such modification would substantially affect such License, (ii) failure or inability of such Grantor to comply with any of the conditions of the Licenses, (iii) any receipt of any notice of the threatened or pending revocation, suspension, probation, expiration, amendment, or rescission of any of the Licenses or any pending or threatened revocation, suspension, probation, expiration, amendment, or rescission of any of the Licenses, and (iv) as a consequence of any sanction of a governmental authority, the issuance or threatened issuance of any of the Licenses for a period of less than twelve (12) months from the date of issuance.

e. Each Grantor will keep the Licenses free and clear of all liens, security interests and other encumbrances, other than (i) those in favor of the Lender, and (ii) a subordinate lien in favor of one or more of the Grantors, all of which have been assigned to the Lender.

19. Covenants Related to Residence and Care Agreements.

a. To the extent that they have any authority or rights with respect to the Residence and Care Agreements, the Grantors shall not, without the prior written consent of the Lender, enter into, or take or fail to take any action pursuant to, or give any consent under the terms of, any Residence and Care Agreement which materially reduces or delays the amount (taken in the aggregate) or the timing of payment of any of the fees or charges payable by any resident as shown or described in the form of Residence and Care Agreement delivered to Lender at closing, or which would in any other manner result in a reduction or delay in the

amount or timing of payments under the Lease or the Loan Documents, or in the amounts available to the Grantors for such purposes. Upon request of the Lender, the Grantors shall provide to Lender copies of executed Residence and Care Agreements, schedules regarding the same in form and substance acceptable to the Lender, and such other information regarding the Residence and Care Agreements and the Residents as the Lender may reasonably require, including any information the Lender deems pertinent to evaluate the financial condition and business affairs of the Grantors.

b. Each Grantor hereby agrees that all Entrance Deposits shall be held as provided in Section 8.19 of the Loan Agreement. Except to the extent prohibited by law, each Grantor hereby assigns to Lender, and grants to Lender a security interest in, all of the Grantor's interest (if any) in the Entrance Deposits (which term shall include all similar deposits, payments or entrance fees charged by the Grantors and relating to the occupation of living units in the Retirement Community), whether now in escrow or received after the date hereof. Except to the extent prohibited by applicable law, the Lender shall be entitled to exercise its remedies as a secured party under the applicable Uniform Commercial Code, and all other rights and remedies available to the Lender, against the Entrance Deposits without being obligated to assume any of the obligations of any of the Grantors under the Residence and Care Agreements, and the Grantors shall continue to be liable, jointly and severally, for all obligations of any of the Grantors thereunder. Each Grantor hereby agrees to use its best efforts to satisfy the conditions precedent to permit the release of the Entrance Deposits from escrow.

20. Performance by Lender. If any Grantor fails to perform, observe, or comply with any of the conditions, terms or covenants contained in this Security Agreement, the Lender, without notice to or demand upon any of the Grantors and without waiving or releasing any of the Obligations or any default, may (but shall be under no obligation to) at any time thereafter perform such conditions, terms or covenants for the account and at the joint and several expense of the Grantors, and may enter upon any place of business or other premises of any of the Grantors for that purpose and take all such action thereon as the Lender may consider necessary or appropriate for such purpose. All sums paid or advanced by the Lender in connection with the foregoing and all costs and expenses (including, without limitation, attorneys' fees and expenses) incurred in connection therewith (collectively, the "Expense Payments") together with interest thereon at the Default Interest Rate set forth in the Note, from the date of payment until repaid in full, shall be paid by the Grantors, jointly and severally to the Lender on demand and shall constitute and become a part of the Obligations secured hereby.

21. Event of Default. The occurrence of any one or more of the following events shall constitute an Event of Default under this Security Agreement: (a) any failure of any of the Grantors to perform, observe or comply with any of the provisions of this Security Agreement which is not cured within ten (10) days after notice from the Lender; (b) the occurrence of an Event of Default under any of the Loan Documents; (c) if any information furnished by any Grantor, or by any other person acting on behalf of any Grantor in connection with the Collateral, or with any of the Loan Documents shall prove untrue or misleading in any material respect; (d) the filing of any petition under the Bankruptcy Code or any similar Federal or State statute by or against any Grantor, or the failure of any Grantor generally to pay debts as such debts become due; (e) the filing of an application for the appointment of a receiver for, the

making of a general Security Agreement for the benefit of creditors by, or the insolvency of, any Grantor; or (f) the dissolution, merger, consolidation, or reorganization of any Grantor.

22. Rights and Remedies Upon an Event of Default. In the event of an Event of Default hereunder (and in addition to all of its rights, powers and remedies under this Security Agreement), the Lender may, at its option, declare the unpaid balance of all or any part of the Obligations to be immediately due and payable, and the Lender shall have all of the rights and remedies of a Lender under the applicable Uniform Commercial Code and other applicable laws. The Grantors, upon demand by the Lender, shall assemble the Collateral and make it available to the Lender at a place designated by the Lender which is mutually convenient to both parties. The Lender or its agents may enter upon any Grantor's premises with or without judicial process or proceedings to take possession of the Collateral, to remove it, to render it unusable or to sell or otherwise dispose of it.

Additionally, upon the occurrence of an Event of Default hereunder, the Lender may, by written notice to the Grantors and to FRVI, direct that any and all future payments in respect of the Working Capital Note and the other Working Capital Loan Documents shall be made by FRVI directly to the Lender. Each Grantor hereby authorizes FRVI to make all further payments on account of the Working Capital Note and the other Working Capital Loan Documents directly to the Lender following receipt by FRVI of notice from the Lender of the occurrence of an Event of Default hereunder, and without regard to, and without any duty to investigate, the facts supporting declaration of an Event of Default by the Lender. In order to effectuate the provisions of this paragraph, and in addition to all rights Lender has hereunder, below, the Borrower has executed and delivered to the Lender a letter, dated in blank, pursuant to which the Borrower directs FRVI to make all payments in respect of the Working Capital Note and the other Working Capital Loan Documents from and after the date of the letter directly to the Lender. Lender shall be entitled to date such letter and to deliver it to FRVI following the occurrence of an Event of Default hereunder. FRVI shall be entitled to rely on such letter, as dated and delivered by the Lender, and to act in accordance with the instructions contained therein, without regard to, and without any duty to investigate, the facts supporting the Lender's declaration of an Event of Default hereunder.

Subject to the provisions of this Security Agreement, upon or at any time after the occurrence of an Event of Default under the Loan Documents, the Lender may, without notice and without regard to the adequacy of security for the Obligations, either in person or by agent, with or without bringing any action or proceeding, or by a receiver to be appointed by a court, enforce any and all rights and remedies of the Grantor under and in connection with any of the Licenses, except to the extent prohibited by law, and subject to the provisions of this Security Agreement or any of the other Loan Documents, make, cancel, enforce, transfer or modify any of the Licenses and do any acts that the Lender deems proper to protect the security hereof. Each Grantor agrees to take all actions necessary to enable the Lender to fully exercise its rights hereunder, including, but not limited to assisting the Lender to obtain any required governmental agency approval. Each Grantor shall cooperate to the fullest extent possible in arranging for the transfer or issuance to the Lender or its designee or assignee of all licenses, permits, approvals and authorizations, and all governmental and private reimbursement agreements of any kind, necessary or useful to the operation of the Retirement Community, under applicable federal, state or local law. The cooperation required under this agreement shall include the execution, delivery

and filing with appropriate governmental entities and private party health care reimbursers of all applications, petitions, requests, assignments and other documents or instruments of any kind, including but not limited to a surrender or termination of any existing operating license, provider agreement or other reimbursement agreement if requested by the Lender to facilitate the issuance of new licenses or provider agreements in the name of the Lender or its designee or assignee. The Lender shall have the right, and each Grantor hereby irrevocably designates and appoints the Lender and its designees as the attorney-in-fact of the Lender, with power of substitution and with power and authority in such Grantor's name, the Lender's name or otherwise and for the use and benefit of the lender to take control of, change the terms of, release, exchange, substitute, extend, renew or otherwise deal with, the Licenses in any manner as the Lender may deem advisable, should any Grantor fail to cooperate as required above.

Any written notice of the sale, disposition or other intended action by the Lender with respect to the Collateral which is required by applicable laws and is sent by regular mail, postage prepaid, to the Grantors at the address of the Grantors' chief executive office specified below, or such other address of the Grantors which may from time to time be shown on the Lender's records, at least ten (10) days prior to such sale, disposition or other action, shall constitute reasonable notice to the Grantors. The Grantors shall, jointly and severally, pay on demand all costs and expenses, including, without limitation, attorney's fees and expenses, incurred by or on behalf of the Lender (a) in enforcing the Obligations, and (b) in connection with the taking, holding, preparing for sale or other disposition, selling, managing, collecting or otherwise disposing of, the Collateral. All of such costs and expenses (collectively, the "Enforcement Costs") together with interest thereon at the Default Interest Rate set forth in the Note, from the date of payment until repaid in full, shall be paid, jointly and severally, by the Grantors to the Lender on demand and shall constitute and become a part of the Obligations secured hereby. Any proceeds of sale or other disposition of the Collateral will be applied by the Lender to the payment of Enforcement Costs and Expense Payments, and any balance of such proceeds (if any) will be applied by the Lender to the payment of the remaining Obligations (whether then due or not), at such time or times and in such order and manner of application as the Lender may from time to time in its sole discretion determine.

In addition to, and without limitation of, any rights of the Lender under applicable laws, if any Grantor becomes insolvent, however evidenced, or any Event of Default occurs, the Lender may at any time and from time to time thereafter, without notice to any of the Grantors, set-off, hold, segregate, appropriate and apply at any time and from time to time thereafter all such indebtedness, deposits, credits, balances (whether provisional or final and whether or not collected or available), monies, securities and other property toward the payment of all or any part of the Obligations in such order and manner as the Lender in its sole discretion may determine and whether or not the Obligations or any part thereof shall then be due or demand for payment thereof made by the Lender.

23. Remedies Cumulative. Each right, power and remedy of the Lender as provided for in this Security Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Security Agreement or in the Loan Documents or now or hereafter existing at law or in equity or by

statute or otherwise, and the exercise or beginning of the exercise by the Lender of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by the Lender of any or all such other rights, powers or remedies.

24. Waiver. No failure or delay by the Lender to insist upon the strict performance of any term, condition, covenant or agreement of this Security Agreement or of the Loan Documents, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, condition, covenant or agreement or of any such breach, or preclude the Lender from exercising any such right, power or remedy at any later time or times. By accepting payment after the due date of any of the Obligations, the Lender shall not be deemed to have waived the right either to require prompt payment when due of all other Obligations, or to declare an Event of Default for failure to effect such payment of any such other Obligations. No course of dealing between the Lender and the Grantors shall be effective to amend, modify or change any provision of this Security Agreement or the other Loan Documents, and the Lender shall have the right at all times to enforce the provisions of this Security Agreement and any of the other Loan Documents in strict accordance with the terms hereof and thereof, notwithstanding any conduct or custom on the part of the Lender in refraining from so doing at any time or times. No modification, change, waiver or amendment of this Security Agreement shall be deemed to be made by the Lender unless in writing signed by the Lender, and each such waiver if any, shall apply only with respect to the specific instance involved. Each Grantor waives presentment, notice of dishonor and notice of non-payment with respect to Accounts, General Intangibles, Supporting Obligations and Chattel Paper.

25. Governing Law. This Security Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the granting, perfection and enforcement of security interest in collateral, the law of the jurisdiction where the collateral is located (or which otherwise applies to security interest in the collateral) shall govern.

26. Miscellaneous. The paragraph headings of this Security Agreement are for convenience only, and shall not limit or otherwise affect any of the terms hereof. Neither this Security Agreement nor any term, condition, covenant or agreement hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought. In conjunction with the sale, assignment or transfer of all or any part of the Obligations and of the Loan Documents to any person or persons, the Lender may, as provided in the Loan Agreement, at any time and from time to time sell, assign and transfer all or any part of this Security Agreement and the Collateral hereunder and each such purchaser, assignee and transferee shall have all of the rights, remedies and benefits of the Lender hereunder, provided that the Lender shall continue to have its rights, remedies and benefits hereunder as to so much of the Obligations and Loan Documents that it has not sold, assigned or transferred. This Security Agreement shall be binding upon the personal representatives, successors and assigns of the Grantors and shall inure to the benefit of the successors and assigns of the Lender. In the event any one or more of the provisions of this Security Agreement shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part, or in any respect, or in the event that any one or more of the provisions of this Security Agreement operate or would prospectively operate

to invalidate this Security Agreement, then and in either of those events, such provision or provisions only shall be deemed null and void and shall not affect any other provision of this Security Agreement and the remaining provisions of this Security Agreement shall remain operative and in full force and effect and shall in no way be affected, prejudiced or disturbed thereby. As used herein, the singular number shall include the plural, the plural the singular and the use of the masculine, feminine or neuter gender shall include all genders, as the context may require, and the term "person" shall include an individual, a corporation, an association, a partnership, a limited liability company, a trust and an organization. Unless varied by this Security Agreement, all terms used herein which are defined by the applicable Uniform Commercial Code shall have the same meanings hereunder as assigned to them by the applicable Uniform Commercial Code as now or hereafter in effect. The terms "sign," "signed" and "signatures" shall have their ordinary meanings except that, to limited extent the Secured Party in an authenticated record expressly agrees otherwise from time to time in the exercise of its sole and absolute discretion, the terms may also include other methods used to authenticate. The term "Obligations" as used herein shall be liberally construed to include, without limitation, the obligations, indebtedness and liabilities of each of the Grantors to the Lender for, arising under, or in connection with, any and all future loans, credit facilities and financial accommodations by the Lender to any of the Grantors whether or not the same may be presently contemplated by the Loan Agreement, the Note, the Guaranty, or any of the other Loan Documents existing on or about the date hereof. All capitalized terms used herein without definition shall have the meanings ascribed to them in the Loan Documents. If any provision hereof relating to the maintenance of books and records or insurance conflicts with any provision of the Loan Agreement or the Mortgage (as defined therein), the provisions of the Loan Agreement or Mortgage (as the case may be) shall control.

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

(1)	If to Lender:	Mercantile-Safe Deposit and Trust Company Two Hopkins Plaza Baltimore, Maryland 21201 Attention: Bruce D. McLean, Senior Vice President
	with a copy to:	Christopher J. Fritz, Esquire Ballard Spahr Andrews & Ingersoll, LLP 300 East Lombard Street, Suite 1900 Baltimore, Maryland 21202
(2)	If to any Grantor:	[Name of Entity] c/o Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228 Attention: Chief Operating Officer
	with a copy to:	General Counsel

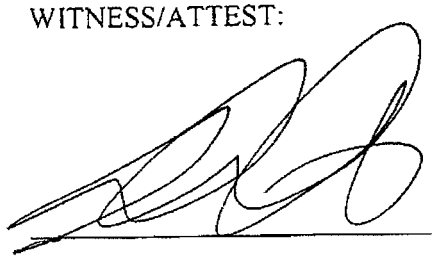
Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228

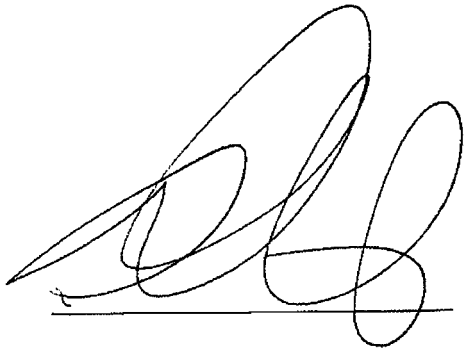
or to such other address and addressee in respect of any party as such party shall notify the others in writing.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the signature and seal of each Grantor are subscribed to this Security Agreement the day and year written above.

WITNESS/ATTEST:





NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC
Member

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and
Chief Operating Officer

ERICKSON RETIREMENT COMMUNITIES, LLC

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and
Chief Operating Officer

SCHEDULE I

A. Information Regarding Novi Campus, LLC:

1. Form of organization (i.e., corporation, partnership, limited liability company): limited liability company

2. State of organization, if a registered organization (i.e., corporation, limited partnership or limited liability company): Maryland

3. Principal residence, if a natural person or general partnership: N/A

4. Address of chief executive office, including the County: 701 Maiden Choice Lane, Baltimore, Maryland 21228 (Baltimore County).

5. EIN, if not a natural person: 52-2313098

6. SSN, if a natural person: N/A

7. Organization ID# (if any exists): MD W05892765

8. Address for books and records, if different: Same as #4 above.

9. Address of other Collateral locations, including Counties, for the past five (5) years: (1) Thirteen Mile Road, Oakland County, Novi, Michigan; (2) 701 Maiden Choice Lane, Baltimore, Maryland 21228

10. Name and address of landlord or owner if location is not owned: N/A

11. Other names or tradenames now or formerly used: N/A

12. List of all existing Commercial Tort Claims (by case title with court and brief description of claim): None

B. Information Regarding Erickson Retirement Communities, LLC:

1. Form of organization (i.e., corporation, partnership, limited liability company): limited liability company

2. State of organization, if a registered organization (i.e., corporation, limited partnership or limited liability company): Maryland

3. Principal residence, if a natural person or general partnership: N/A

4. Address of chief executive office, including the County: 701 Maiden Choice Lane, Baltimore, Maryland 21228 (Baltimore County).

5. EIN, if not a natural person: 52-2003375

6. SSN, if a natural person: N/A

7. Organization ID# (if any exists): MD W04550497

8. Address for books and records, if different: Same as #4 above.

9. Address of other Collateral locations, including Counties, for the past five (5) years: 701 Maiden Choice Lane, Baltimore, Maryland (Baltimore County); Thirteen Mile Road, Novi, Michigan (Oakland County).

10. Name and address of landlord or owner if location is not owned: N/A

11. Other names or tradenames now or formerly used:

    - Erickson Retirement Communities, LLC was previously known as "Senior Campus Living, LLC"

EXHIBIT A

LIST OF LICENSES

1. Final Order of Registration under Michigan Living Care Disclosure Act to be issued in favor of Fox Run Village, Inc. as described in letter dated January 15, 2002 from Michigan Office of Financial and Insurance Services attached hereto as Schedule I.

2. Certificate of Need No. 01-0084 dated November 28, 2000 issued by Michigan Department of Community Health in favor of Novi Campus, LLC authorizing construction of 64 licensed nursing beds.

3. Certificate of Need No. 00-0357 dated December 20, 2001 issued by Michigan Department of Community Health in favor of Fox Run Village, Inc. authorizing lease and operation of 64 licensed nursing beds from Novi Campus, LLC.

4. All health facility construction permits issued in favor of Fox Run Village, Inc. and/or Novi Campus, LLC by the Michigan Department of Consumer and Industry Services for facilities at Fox Run Village Retirement Community.

5. All licenses for operation of assisted living or nursing beds issued in favor of Fox Run Village, Inc. and/or Novi Campus, LLC by Michigan Department of Consumer and Industry Services, Bureau of Health Facilities, or other competent authority for facilities at Fox Run Village Retirement Community.

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0000838286
WORK ORDER:0000567918
DATE:03-20-2002 09:55 AM
AMT. PAID:$140.00

[redacted]

2002 MAR 19 A 11:27

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
Fran Glushakow-Smith, Esquire (410) 528-5508

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Fran Glushakow-Smith, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: Novi Campus, LLC

OR 1b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

1c. MAILING ADDRESS: 701 Maiden Choice Lane | CITY: Baltimore | STATE: MD | POSTAL CODE: 21228 | COUNTRY: USA

1d. TAX ID #: SSN OR EIN: 52-2313098 | ADD'L INFO RE ORGANIZATION DEBTOR | 1e. TYPE OF ORGANIZATION: limited liability co. | 1f. JURISDICTION OF ORGANIZATION: Maryland | 1g. ORGANIZATIONAL ID #, if any: MD W05892765 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

2c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

2d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 2e. TYPE OF ORGANIZATION | 2f. JURISDICTION OF ORGANIZATION | 2g. ORGANIZATIONAL ID #, if any ☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company

OR 3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS: Two Hopkins Plaza | CITY: Baltimore | STATE: MD | POSTAL CODE: 21201 | COUNTRY: USA

4. This FINANCING STATEMENT covers the following collateral:

All assets of Debtor.

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] | 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

File with: State Department of Assessments and Taxation of Maryland

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)
UCCNAT- S/1401 C T System Online

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 2 page document on file in this office. DATED: 3-21-02.

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

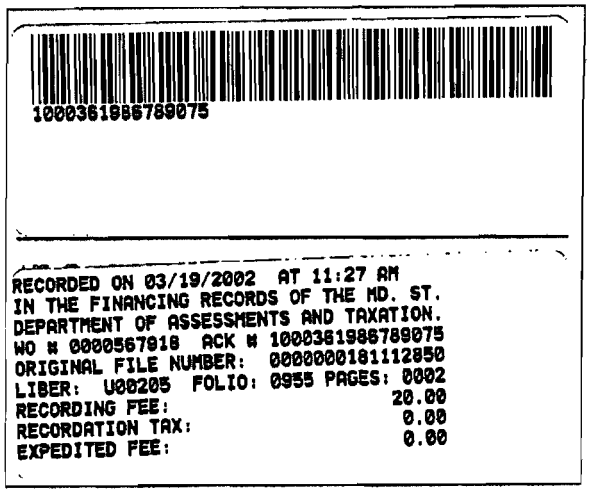
This stamp replaces our previous certification system. Effective: 6/95

205-955

UCC APPROVAL SHEET
** KEEP WITH DOCUMENT **

TRANSACTION TYPE		FEES REMITTED
✓	UO - Original Financing Statement	$20.00
___	UOA - Original Financing Statement With Assignment	$20.00
___	UOTU - Original Financing Statement Transmitting Utility	$20.00
___	UMA - Amendment	$20.00
___	UMDA - Amendment - Debtor Added	$20.00
___	UMDC - Amendment - Debtor Name Change	$20.00
___	UMDD - Amendment - Debtor Deleted	$20.00
___	UMSA - Amendment - Secured Party Added	$20.00
___	UMSC - Amendment - Secured Party Name Change	$20.00
___	UMSD - Amendment - Secured Party Deleted	$20.00
___	UMC - Amendment - Continuation	$20.00
___	UMT - Amendment - Termination	$20.00
___	UMZ - Amendment - Assignment	$20.00
___	UMZP - Amendment - Partial Assignment	$20.00
___	UMCS - Amendment - Correction Statement	$20.00
___	UOMH - Manufactured Home - Original Financing Statement	$20.00
___	UOPF - Public Finance - Original Financing Statement	$20.00
___	Documents Nine (9) Pages or More	$75.00
___	Certified Copies	
___	Plain Copies	

TOTAL FEES: 20



_____ Other Change(s)

_____

_____

_____

Code _____

Attention: _____

Mail to Address:

_____

_____

_____

NO FEE TRANSACTION TYPES

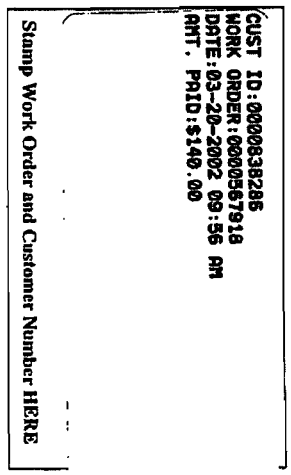
___	URC - Copies
___	UNCP - Void - Non-Payment
___	UCC - Cancellation
___	UCR - Reinstatement
___	UCO Departmental Action
___	UCREF - Refund Recordation Tax
___	UCIS - Incorrect ID Number
___	XOVRU - UCC Overrides
___	UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

Cash _____ Check ✓ Credit Card _____

Number of Checks 1

COMMENT(S):



STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001927944
WORK ORDER:0001370982
DATE:03-07-2007 09:06 AM
AMT. PAID:$525.00

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie
B. SE

The Corporation Trust Incorporated
300 E. Lombard Street, Suite 1400
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
181112850

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☒ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. ☐ AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of the two boxes.
Also check one of the following three boxes and provide appropriate information in item 6 and/or 7.
☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.
☐ DELETE name: Give record name to be deleted in item 6a or 6b.
☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:
6a. ORGANIZATION'S NAME: Novi Campus, LLC
OR
6b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:
7a. ORGANIZATION'S NAME
OR
7b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX
7c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY: USA
7d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 7e. TYPE OF ORGANIZATION | 7f. JURISDICTION OF ORGANIZATION | 7G. ORGANIZATIONAL ID #, if any ☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

RECEIVED
DEPARTMENT OF
ASSESSMENTS & TAXATION
2007 MAR -6 P 3:58

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.
9a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company
OR
9b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

10. OPTIONAL FILER REFERENCE DATA
File in Maryland SDAT
Matter No. 890412

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/29/98)
DMEAST #9739012 v1
B1686953750

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 2 page document on file in this office. DATED: 2-9-07.
STATE DEPARTMENT OF ASSESSMENTS AND TAXATION
BY: _____, Custodian
This stamp replaces our previous certification system. Effective: 6/95

504-75

UCC APPROVAL SHEET

** EXPEDITED SERVICE ** ** KEEP WITH DOCUMENT **

TRANSACTION TYPE		FEES REMITTED
✓	Expedited Fee	$50.00
___	UO - Original Financing Statement	$25.00
___	UOA - Original Financing Statement With Assignment	$25.00
___	UOTU - Original Financing Statement Transmitting Utility	$25.00
___	UMA - Amendment	$25.00
___	UMDA - Amendment - Debtor Added	$25.00
___	UMDC - Amendment - Debtor Name Change	$25.00
___	UMDD - Amendment - Debtor Deleted	$25.00
___	UMSA - Amendment - Secured Party Added	$25.00
___	UMSC - Amendment - Secured Party Name Change	$25.00
___	UMSD - Amendment - Secured Party Deleted	$25.00
✓	UMC - Amendment - Continuation	$25.00
___	UMT - Amendment - Termination	$25.00
___	UMZ - Amendment - Assignment	$25.00
___	UMZP - Amendment - Partial Assignment	$25.00
___	UMCS - Amendment - Correction Statement	$25.00
___	UOMH - Manufactured Home - Original Financing Statement	$25.00
___	UOPF - Public Finance - Original Financing Statement	$25.00
___	Documents Nine (9) Pages or More	$75.00
___	Certified Copies	
___	Plain Copies	

TOTAL FEES: $75.00

NO FEE TRANSACTION TYPES

___ URC - Copies
___ UNCP - Void - Non-Payment
___ UCC - Cancellation
___ UCR - Reinstatement
___ UCO Departmental Action
___ UCREF - Refund Recordation Tax
___ UCIS - Incorrect ID Number
___ XOVRU - UCC Overrides
___ UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

Cash ____ Check ✓ Credit Card ____

Number of Checks 1

COMMENT(S):

1000361994420523

RECORDED ON 03/06/2007 AT 03:58 PM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001370982 ACK # 1000361994420523
ORIGINAL FILE NUMBER: 00000000181112850
LIBER: U00504 FOLIO: 0075 PAGES: 0002

____ Other Change(s)

Code _____

Attention: _____

Mail to Address:

THE CORPORATION TRUST INCORPORATED
300 E LOMBARD ST., SUITE 1400
BALTIMORE MD 21202

Stamp Work Order and Customer Number HERE

CUST ID:0001927944
WORK ORDER:0001370982
DATE:03-07-2007 09:07 AM
AMT. PAID:$525.00

LIBER26044PAGE130

[redacted]

291229
LIBER 26044 PAGE 130
$11.00 MISC UCC REAL ESTATE
$.00
07/09/2002 10:35:06 A.M. RECEIPT# 56435
PAID RECORDED - OAKLAND COUNTY
G.WILLIAM CADDELL, CLERK/REGISTER OF DEEDS

0201519
LIBER PAGE
$10.00 FINANCING STATEMENT
$.00
07/09/2002 10:35:04 A.M. RECEIPT# 56435
PAID RECORDED - OAKLAND COUNTY
G.WILLIAM CADDELL, CLERK/REGISTER OF DEEDS

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
Fran Glushakow-Smith, Esquire (410) 528-5508

B. SEND ACKNOWLEDGMENT TO: (Name and Address)
Fran Glushakow-Smith, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202

FST

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

(1)

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: Novi Campus, LLC

OR 1b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

1c. MAILING ADDRESS: 701 Maiden Choice Lane | CITY: Baltimore | STATE: MD | POSTAL CODE: 21228 | COUNTRY: USA

1d. TAX ID #: SSN OR EIN: 52-2313098 | ADD'L INFO RE ORGANIZATION DEBTOR | 1e. TYPE OF ORGANIZATION: limited liability co. | 1f. JURISDICTION OF ORGANIZATION: Maryland | 1g. ORGANIZATIONAL ID #, if any: MD W05892765 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

2c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

2d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 2e. TYPE OF ORGANIZATION | 2f. JURISDICTION OF ORGANIZATION | 2g. ORGANIZATIONAL ID #, if any ☐ NONE

(2)

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company

OR 3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS: Two Hopkins Plaza | CITY: Baltimore | STATE: MD | POSTAL CODE: 21201 | COUNTRY: USA

4. This FINANCING STATEMENT covers the following collateral:

All assets of Debtor.

O.K. - LG

RETURN TO FINANCE DEPT
FIN001

E104318
10.00
10

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

11.00
4P

8. OPTIONAL FILER REFERENCE DATA
Novi Campus, LLC

File with: Land Records of Oakland County, Michigan

21

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)
UCCAT- 5/14/01 C T System Online

LIBER26044PAGE131

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME: Novi Campus, LLC

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME,SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

11d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any
				☐ NONE

12. ☐ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

12c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers ☐ timber to be cut or ☐ as-extracted collateral, or is filed as a ☒ fixture filing.

14. Description of real estate:

The real estate consists of approximately 102 acres located on Thirteen Mile Run Road, in the City of Novi, Oakland County, Michigan, which is more particularly described on Exhibit A attached hereto and incorporated by reference herein.

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

17. Check only if applicable and check only one box.

Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

☐ Debtor is a TRANSMITTING UTILITY

☐ Filed in connection with a Manufactured-Home Transaction — effective 30 years

☐ Filed in connection with a Public-Finance Transaction — effective 30 years

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT ADDENDUM (FORM UCC1Ad) (REV. 07/29/98)

NATUCC1 - 54491 CT System Online

Bank Of America - CD#13 - Control ID#1133

EXHIBIT A

TO UCC-1 FINANCING STATEMENT
FILED AMONG THE LAND RECORDS OF OAKLAND COUNTY, MICHIGAN

DEBTOR: NOVI CAMPUS, LLC

SECURED PARTY: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

DESCRIPTION OF REAL ESTATE

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning. pt of 22-01-300[001] 013

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of ~~Southwest 1/4 of Section 1, Town 1 North~~, Range 8 East, City of Novi, ~~Oakland County~~, Michigan, except the South 60.00 feet taken for road.

PARCEL 3: pt of 22-01-300-[003] 013

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 ~~East, City of Novi, Oakland~~ County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1 500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

PARCEL 4: pt of 22-01-300-[007] 013

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East,

Bank Of America - CD#13 - Control ID#1133

City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.1 4 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

pt of 22-01-300-009
013

CERTIFICATE OF COPY OF RECORD
STATE OF MICHIGAN
COUNTY OF OAKLAND

I, Ruth Johnson, Register of Deeds for Oakland County, certify that I have compared the attached copy with the original record on file, and it is a true and correct transcript of the original record in Liber 41044 Page(s) 130-133
in testimony whereof, I have set my hand and affixed the seal of REGISTER OF DEEDS on 9-21-09.

By: Carolyne A Barnhart
DEPUTY CLERK Carolyne A. Barnhart

Per PA #53, effective 9-6-07

LIBER 39305 PG 861

147149
LIBER 39305 PAGE 861
$9.00 MISC UCC REAL ESTATE
$.00
07/02/2007 08:34:27 A.M. RECEIPT# 68644

PAID RECORDED - OAKLAND COUNTY
RUTH JOHNSON, CLERK/REGISTER OF DEEDS

RECEIVED
JUN 29 2007
Ruth Johnson Register of Deeds
Oakland County, MI

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie Miller (410) 528-5509

B. SEND

Please return to:
CT, a Wolters Kluwer business
Attn: Charlie Beck
4400 Easton Commons Way
Suite 125
Columbus, OH 43219

CST

0701677
LIBER PAGE
$15.00 FINANCING STATEMENT
$.00
07/02/2007 08:34:24 A.M. RECEIPT# 68644
PAID RECORDED - OAKLAND COUNTY

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
Land Record Book 26044, page 130 7/9/2 (291229) 0201519

1b. ☒ This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☒ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. ☐ AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of the two boxes. Also check one of the following thee boxes and provide appropriate information in item 6 and/or 7.

☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.

☐ DELETE name: Give record name to be deleted in item 6a or 6b.

☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

1 OR

6a. ORGANIZATION'S NAME			
Novi Campus, LLC			
6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

OR

7a. ORGANIZATION'S NAME			
7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
				USA

7d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7G. ORGANIZATIONAL ID #, if any
				☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

RECEIVED
JUN 29 2007
Ruth Johnson Register of Deeds
Oakland County, MI

15

9 3P 2h

fin001

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

2 OR

9a. ORGANIZATION'S NAME			
Mercantile-Safe Deposit and Trust Company			
9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA
File in Oakland County, Michigan Land Records

Matter No. 890412

RETURN TO FINANCE DEPT

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/29/98)

CB6964017 50

DMEAST #9818463 v1

O.K. - KB

LIBER 39305 PG 862
LIBER 26044 PAGE 132

EXHIBIT A

TO UCC-1 FINANCING STATEMENT
FILED AMONG THE LAND RECORDS OF OAKLAND COUNTY, MICHIGAN

DEBTOR: NOVI CAMPUS, LLC

SECURED PARTY: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

DESCRIPTION OF REAL ESTATE

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning. pt of 22-01-300-001 013

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of ~~Southwest 1/4 of Section 1, Town 1~~ North, Range 8 East, City of Novi, ~~Oakland County~~, Michigan, except the South 60.00 feet taken for road.

PARCEL 3: pt of 22-01-300-003 013

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, ~~City of Novi, Oakland~~ County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1 500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

PARCEL 4: pt of 22-01-300-007 013

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East,

LIBER39305 PG863

LIBER26044PAGE133

City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.1 4 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

pt of 22-01-300-009
013

CERTIFICATE OF COPY OF RECORD
STATE OF MICHIGAN
COUNTY OF OAKLAND

I, Ruth Johnson, Register of Deeds for Oakland County, certify that I have compared the attached copy with the original record on file, and it is a true and correct transcript of the original record in Liber 39305 Page(s) 801-803
in testimony whereof, I have set my hand and affixed the seal of REGISTER OF DEEDS on 9-21-09.

By: Carolyne A. Barnhart
DEPUTY CLERK Carolyne A. Barnhart

Per PA #53, effective 9-6-07

EXHIBIT 9

"Mortgage Security Documents"

1. **"Mortgage"** – Mortgage By Novi Campus, LLC To The Lender Recorded Among The Land Records Of Oakland County, Michigan

2. Assignment Of Rents And Leases By Novi Campus, LLC To The Lender Recorded Among The Land Records Of Oakland County, Michigan

3. Environmental Compliance Certificate And Agreement From Novi Campus, LLC To The Lender

4. Financing Statements (See Exhibit 10)

MORTGAGE

THIS DOCUMENT CONSTITUTES A FUTURE ADVANCE MORTGAGE
UNDER MCLA §565.901

THE MAXIMUM PRINCIPAL AMOUNT OF THIS MORTGAGE WILL NOT EXCEED $46,000,000

NOVI CAMPUS, LLC,
a Maryland limited liability company

(Mortgagor)

to

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
a Maryland corporation

(Mortgagee)

Dated February 12, 2002

This instrument has been executed outside the State of Michigan

DRAFTED BY AND
WHEN RECORDED, RETURN TO:

BALLARD SPAHR ANDREWS & INGERSOLL, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202-3268
Attention: Christopher J. Fritz, Esquire

Bank Of America - CD#13 - Control ID#1133

MORTGAGE

THIS MORTGAGE (the "**Mortgage**") is made as of the 12th day of February, 2002, from NOVI CAMPUS, LLC, a Maryland limited liability company (the "**Mortgagor**"), to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, and any successor holder of the Note secured hereby and hereafter defined (the "**Mortgagee**").

SECTION 1. RECITALS

1.1 The Credit Facility. The Mortgagor is indebted to the Mortgagee for a revolving loan and letter of credit facility in the aggregate principal amount at any one time outstanding not to exceed Sixty Million Dollars ($60,000,000) (the "**Loan**") to be advanced pursuant to a Construction Loan Agreement between the Mortgagor and the Mortgagee of even date herewith (together with all amendments thereto, the "**Loan Agreement**"), as evidenced by a Revolving Loan Note of the Mortgagor of even date herewith (together with all amendments thereto, the "**Note**"). The Mortgagor intends to use the proceeds of the Loan to finance the construction of a retirement community (the "**Retirement Community**") on the Land (hereinafter defined). The Retirement Community will be leased to and operated by Fox Run Village, Inc., a Maryland non-profit corporation ("**FRVI**").

1.2 Obligations Secured. This Mortgage secures (a) the payment of all sums due to the Mortgagee by the Mortgagor according to the terms of any of the Loan Documents (hereinafter defined), (b) the Mortgagor's obligations with respect to future advances, which may be made by the Mortgagee for any reason and (c) the performance of, and compliance with, all of the obligations of the Mortgagor (express or implied) contained in the Loan Documents.

SECTION 2. DEFINITIONS. Whenever capitalized in this Mortgage, the following terms shall have the meaning given in this Section 2, unless the context clearly indicates a contrary intent.

2.1 Encumbrances: All liens, mortgages, rights, leases, restrictions, easements, deeds of trust, covenants, agreements, rights of way, rights of redemption, security interests, conditional sales agreements, land installment contracts, options, and all other burdens or charges.

2.2 Environmental Requirements: Any federal, state, regional, county or local law, statute, ordinance, rule or regulation; or court administrative order or decree; or private agreement, which requires special handling, collection, storage, treatment, disposal or removal of any materials located in or on or about the Property, or which concerns public health, safety, or the environment, including, without limitation, relating to (i) releases, discharges, emissions, or disposals to air, water, land or ground water, (ii) the withdrawal or use of ground water and (iii) the exposure of persons to toxic, hazardous or other controlled, prohibited, or regulated substances.

2.3 Event of Default: Any one or more of the events described in Section 9.01 hereof.

2.4 Insurance and Condemnation Proceeds. All of the items described in Section 3.04.

2.5 Land: The land consisting of approximately 102 acres located on Thirteen Mile Road, in the City of Novi, Oakland County, Michigan, which is more particularly described in Exhibit A attached to this Mortgage and incorporated by reference herein.

2.6 Loan Documents: The term "Loan Documents" shall have the meaning set forth in the Loan Agreement.

2.7 Mortgage: This instrument, including all current and future supplements, amendments and attachments thereto.

2.8 Mortgagee: Mercantile-Safe Deposit and Trust Company, its successors and assigns, and any subsequent holder of the Note.

2.9 Mortgagor: Novi Campus, LLC, its successors and assigns.

2.10 Note: The Revolving Loan Note of even date herewith payable to the Mortgagee by the Mortgagor evidencing the Loan in the face amount of Forty-Six Million Dollars ($46,000,000), including all current and future replacements, supplements, amendments and attachments thereto.

2.11 Permitted Encumbrances: Those exceptions, if any, which appear in the title policy insuring the interest of the Mortgagee hereunder, including a subordinate mortgage for the benefit of FRVI of even date herewith, as accepted and approved by the Mortgagee, or any encumbrance hereinafter approved in writing by the Mortgagee.

2.12 Plans and Specifications: The term "Plans and Specifications" shall have the meaning set forth in the Loan Agreement.

2.13 Project: The term "Project" shall have the meaning set forth in the Loan Agreement.

2.14 Property: All of the property described in Sections 3.01, 3.02, 3.03 and 3.04.

2.15 Personal Property: All of the personal property and fixtures described in Section 3.02.

2.16 Real Property: All of the real property described in Section 3.01.

2.17 Rents: All of the rents, earnings, proceeds, accounts, general intangibles and other rights described in Section 3.03.

SECTION 3. GRANT

3.1 Real Property. The Mortgagor, in consideration of the Mortgagee's making of the Loan to the Mortgagor and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, hereby grants, mortgages, bargains, sells, conveys and assigns to the Mortgagee all the Land described more particularly in Exhibit A attached hereto as a part hereof, together with (a) all buildings and improvements now or hereafter located on the Land, (b) all rights, rights of way, air rights, riparian rights, franchises, licenses, easements, tenements, hereditaments, appurtenances, accessions and other rights and privileges now or hereafter belonging to the Land or the buildings and improvements thereupon, now owned or hereafter acquired by the Mortgagor (hereinafter collectively referred to as the "**Real Property**").

3.2 Personal Property and Fixtures. The Mortgagor further mortgages, grants, and assigns to the Mortgagee, and grants to the Mortgagee a security interest in, all of the Mortgagor's interest in all of the machines, apparatus, equipment (including, without limitation, embedded software), fixtures and articles of personal property now or hereafter located on the Land or in any improvements thereon, including without limitation all furniture, fixures, equipment and building materials acquired with the proceeds of the Loan, and all the right, title and interest of the Mortgagor in and to any of such property which may be subject to any title retention or security agreement or instrument having priority over this Mortgage (hereinafter collectively referred to as the "**Personal Property**").

3.3 Rents and Other Rights. The Mortgagor further mortgages, grants and assigns to the Mortgagee all of the Mortgagor's interest in (a) all rents, profits, royalties, issues, revenues, income, proceeds, earnings and products generated by or arising out of the Property and all accounts receivable arising in connection with the Property and all contracts for the use and occupancy of all or any portion of the Property (including but not limited to agreements with the residents of the Retirement Community), all contracts of sale for all or any portion of the Property, and all deposits to secure performance by contract purchasers for all or any portion of the Property, (b) all of the general intangibles, actions, rights in action, estate, right, title, use, claim and demand of every nature whatsoever, at law or in equity, which the Mortgagor may now have or may hereafter acquire in and to the Property,

and (c) all right, title and interest of the Mortgagor in and to all extensions, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Property, hereafter acquired by or released to the Mortgagor, or constructed, assembled or placed by or for the Mortgagor on the Property, and all conversions of the security constituted thereby (hereinafter collectively referred to as the "**Rents**").

3.4 Insurance Policies and Condemnation Awards. The Mortgagor further mortgages, grants and assigns to the Mortgagee all insurance policies and insurance proceeds pertaining to the Property and all awards or payments, including interest thereon and the right to receive the same, which may be made with respect to any of the Property as a result of any taking or any injury to or decrease in the value of the Property (hereinafter collectively referred to as the "**Insurance and Condemnation Proceeds**").

3.5 Security Interest Under the Uniform Commercial Code. Any portion of the Property which by law is or may be real property shall be deemed to be a part of the Real Property for the purposes of this Mortgage. The remainder of the Property shall be subject to the Michigan Uniform Commercial Code as now or hereafter in effect (hereinafter referred to as the "**Uniform Commercial Code**") and this Mortgage shall constitute a Security Agreement with respect thereto. The Mortgagor hereby grants to the Mortgagee a security interest in that portion of the Property not deemed a part of the Real Property for the purpose of securing performance of all of the Mortgagor's obligations under the Loan Documents. With respect to such security interest (a) the Mortgagee may exercise all rights granted or to be granted a secured party under the Uniform Commercial Code and (b) upon the occurrence of an Event of Default the Mortgagee shall have a right of possession superior to any right of possession of the Mortgagor or any person claiming through or on behalf of the Mortgagor. The Mortgagor shall execute and file such financing statements and other security agreements as the Mortgagee shall require from time to time with respect to personal property and fixtures included in the Property. Upon any failure by the Mortgagor to do so, the Mortgagee may execute, record and file all such financing statements and other security agreements for and in the name of the Mortgagor and the Mortgagor hereby irrevocably appoints the Mortgagee the agent and attorney-in-fact of the Mortgagor to do so. The Mortgagor agrees to pay any and all filing and recording fees or other charges with respect to such documents. Further, to the extent permitted by applicable laws, the Mortgagee may file, without any Mortgagor's signature, one or more financing statements or other notices disclosing the Mortgagee's liens and other security interests. All financing statements and notices may describe the Mortgagee's collateral as all assets or all personal property of Mortgagor. Notwithstanding the filing of such "all assets" financing statements, the scope of the Mortgagee's liens and security interests with respect to the collateral shall be governed by the granting language of the Loan Documents.

SECTION 4. HABENDUM CLAUSE AND DEFEASANCES.

To have and to hold the Property unto the Mortgagee, its successors and assigns forever. All right, title and interest of the Mortgagor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to the Property hereafter acquired by, or released to, the Mortgagor or constructed, assembled or placed by the Mortgagor on the Real Property, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, pledge, conveyance, assignment or other act by the Mortgagor, shall become subject to the lien of this Mortgage as fully and completely, and with the same effect, as though now owned by the Mortgagor and specifically described herein. Notwithstanding the foregoing, the Mortgagor shall, at its own cost, make, execute, acknowledge, deliver and record any and all such further acts, deeds, conveyances, mortgages, notices of assignment, transfers, assurances and other documents as the Mortgagee shall from time to time require for better assuring, conveying, assigning, transferring and confirming unto the Mortgagee of the Property and the other rights hereby conveyed or assigned or intended now or hereafter so to be, or which the Mortgagor may be or may hereafter become bound to convey or assign for carrying out the intention of facilitating the performance of the terms of this Mortgage. In addition, the Mortgagor hereby agrees that this Mortgage is a security agreement under the Uniform Commercial Code and creates in the Mortgagee a security interest thereunder in, among other things, all Personal Property, Insurance and Condemnation Proceeds and Rents. This Mortgage shall be effective as a financing statement pursuant to the Uniform Commercial Code. The Mortgagor shall, at its own cost and expense, execute, deliver and file any financing statements, continuation certificates and other documents the Mortgagee may require from time to time to perfect and maintain in favor of the Mortgagee a security interest under the Uniform Commercial Code in such Personal Property, Insurance and Condemnation Proceeds and Rents. Without limiting the generality of any of the foregoing, the

Mortgagor hereby irrevocably appoints the Mortgagee attorney-in-fact, coupled with an interest, for the Mortgagor to execute, deliver and file any of the documents referred to hereinabove for and on behalf of the Mortgagor. Further, to the extent permitted by applicable laws, the Mortgagee may file, without the Mortgagor's signature, one or more financing statements or other notices disclosing the Mortgagee's liens and other security interests. All financing statements and notices may describe the Mortgagee's collateral as all assets or all personal property of the Mortgagor. Notwithstanding the filing of such "all assets" financing statements, the scope of the Mortgagee's liens and security interests with respect to the collateral shall be governed by the granting language of the Loan Documents.

Provided always, and these presents are upon this express condition, that if the Mortgagor or its successors or assigns shall well and truly pay or cause to be paid, in full, unto the Mortgagee, its successors or assigns, the obligations secured by this Mortgage, and otherwise perform the Mortgagor's respective obligations under the Loan Documents to which the Mortgagor is a party, then this Mortgage, and the estate hereby granted, shall cease, determine and be void, and the Mortgagee shall furnish to the Mortgagor a satisfaction of this Mortgage in proper form for recording, but the Mortgagee shall not be required to bear any expense or cost in connection with such satisfaction or the recording thereof.

This Mortgage secures, inter alia, present and future advances made by the Mortgagee pursuant to the Loan Documents, including, without limitation, advances made to enable completion of the Improvements, plus accrued and unpaid interest. The priority of such future advances shall relate back to the date of this Mortgage, or to such later date as required by applicable law. This Mortgage also secures advances made by the Mortgagee with respect to the Property for the payment of taxes, assessments, maintenance charges, and insurance premiums, costs incurred by the Mortgagee for the protection of the Property or the lien of this Mortgage, including attorneys' fees, and expenses incurred by the Mortgagee by reason of the occurrence of an Event of Default hereunder, including attorneys' fees, and the priority of such advances, costs and expenses shall also relate back to the date of this Mortgage, or to such later date as required by applicable law.

SECTION 5. REPRESENTATIONS AND WARRANTIES

5.1 Warranty of Title and Further Assurances. The Mortgagor warrants that it is lawfully seized of an indefeasible fee simple estate in the Property free and clear of all encumbrances (except for Permitted Encumbrances), and that it has the right and authority to convey the Property and warrants specially title to the Property and that it will execute such further assurances as may be requested. The Mortgagor further covenants that the lien created hereby is and will be maintained as a first lien upon the Property.

SECTION 6. COVENANTS, RIGHTS, AND DUTIES OF MORTGAGOR GENERALLY

6.1 Covenant to Pay Obligations and to Perform Obligations Under the Terms of the Loan Documents. The Mortgagor covenants that it will punctually (a) pay or cause to be paid to the Mortgagee all amounts due under the Loan Documents executed by the Mortgagor, which includes the principal and interest of the Loan and all other costs and indebtedness secured hereby, according to the terms of the Loan Documents executed by the Mortgagor; (b) perform and satisfy all other obligations of the Mortgagor under the Loan Documents; (c) use best efforts in satisfying the conditions to advances of the Loan which conditions are specified in Article III, Article IV and Article V of the Loan Agreement; and (d) construct the Improvements (as defined in the Loan Agreement) in accordance with the terms of the Loan Documents.

6.2 Escrow Account. At the Mortgagee's option, the Mortgagor agrees that:

6.02.1 Upon written request of the Mortgagee, the Mortgagor will pay to the Mortgagee monthly installments, each of which shall be equal to one-twelfth (1/12th) of the sum of (a) the estimated annual premiums for all insurance policies required by Sections 8.01 and 8.02, and (b) the estimated annual taxes, assessments and governmental charges pertaining to the Property, to be held by the Mortgagee in an escrow account established with the Mortgagee (the "**Escrow Account**") and disbursed by the Mortgagee to pay insurance premiums as they become due and taxes, assessments and governmental charges before any penalty or interest shall accrue thereon. Estimates are to be made solely by the Mortgagee in its reasonable determination and payments shall be made on the day of the month designated by the Mortgagee. No interest shall be payable by the Mortgagee on the Escrow Account

unless, and then only to the extent that, applicable law shall otherwise require. All overpayments to the Escrow Account shall be applied to reduce future payments to the Escrow Account, if any, or shall be returned to the Mortgagor, at the sole discretion of the Mortgagee.

6.02.2 Upon the request of the Mortgagee, the Mortgagor shall pay such additional sums into the Escrow Account as the Mortgagee determines are necessary, so that one month prior to the date the Mortgagee is required to make payments of insurance premiums, or taxes, assessments or governmental charges, as the case may be, payments can be made therefor out of the Escrow Account.

6.02.3 The Mortgagor hereby grants the Mortgagee a security interest in the sums on deposit in the Escrow Account to secure the obligations secured hereby, and upon the occurrence of an Event of Default, the Mortgagee may, unless prohibited by applicable law, apply the balance of the Escrow Account to operate the Property or to satisfy the Mortgagor's obligations under the Loan Documents, as the Mortgagee may elect.

6.3 Compliance With Laws. The Mortgagor shall comply with all laws a breach of which would adversely affect (a) the financial condition of the Mortgagor, (b) the ability to use buildings and other improvements on the Land for the purposes for which they were designed or intended, (c) the value or status of the Property, or (d) the value or status of the Mortgagee's title to the Property.

6.4 Changes in Applicable Tax Laws. In the event (a) any law is hereafter enacted which imposes a tax upon the Loan, any of the Loan Documents, or the transactions evidenced or contemplated by any of the Loan Documents, or (b) any law now in force governing the taxation of mortgages, debts secured by mortgages, or the manner of collecting any such tax, shall be changed or modified, in any manner, so as to impose a tax upon the Loan, any of the Loan Documents, or the transactions evidenced or contemplated by any of the Loan Documents (including, without limitation, a requirement that revenue stamps be affixed to any or all of the Loan Documents), the Mortgagor will promptly pay any such tax. If the Mortgagor fails to make prompt payment, or if any law either prohibits the Mortgagor from making the payment or would penalize the Mortgagee if the Mortgagor makes the payment, then the failure, prohibition, or penalty, shall entitle the Mortgagee to declare the entire unpaid principal balance of the Loan, together with all accrued interest and any other amounts due, immediately due and payable; provided that if no Event of Default has occurred, the Mortgagor shall thereupon have thirty (30) days to pay the entire amount due without penalty. If an Event of Default has occurred and is continuing or if the Mortgagor fails to make payment in full within thirty (30) days, then the Mortgagee shall be entitled to exercise all rights hereunder as though an Event of Default had occurred.

6.5 Certifications, Licenses, Permits, Etc.: The Mortgagor will obtain or cause to be obtained all certifications, licenses, permits and governmental approvals as may be necessary or required to complete the Project and operate the Retirement Community.

6.6 Sale of Assets, Consolidation, Merger, Etc.: Except as may be otherwise expressly permitted by the Loan Agreement, the Mortgagor shall not (a) sell, lease, transfer or otherwise dispose of its properties and assets with a fair market value in excess of $50,000 to any person, (b) consolidate with or merge into any other entity, or permit another entity to merge into it, or acquire all or substantially all the properties or assets of any other person or entity, (c) enter into an arrangement, directly or indirectly, with any person whereby it or any of its subsidiaries or affiliates shall sell or transfer any property, real or personal, which is used and useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property for substantially the same purpose or purposes as the property being sold or transferred, or (d) cause or permit any change in its name, ownership of member interests in the Mortgagor, or management or in the manner in which its business is conducted.

6.7 Distributions, Etc: The Mortgagor will not pay any income, bonuses, profits, salaries or fees to any of its members or make any distribution of cash or property to any of its members or affiliates thereof (including other partnerships or limited liability companies in which any of its members own an interest) except as may be permitted in the Loan Agreement.

6.8 Primary Banking Relationship: The Mortgagor shall maintain its primary banking relationship with the Mortgagee.

6.9 Further Assurances and Continuation Statements. The Mortgagor from time to time will execute, acknowledge, deliver and record, at the Mortgagor's sole cost and expense, all further instruments, deeds, conveyances, supplemental mortgages, assignments, financing statements, transfers and assurances as in the reasonable opinion of the Mortgagee's counsel may be necessary (a) to preserve, continue and protect the interest of the Mortgagee in the Property, or (b) to secure the rights and remedies of the Mortgagee under this Mortgage and the other Loan Documents. The Mortgagor, at the request of the Mortgagee, shall promptly execute any continuation statements required by the Uniform Commercial Code to maintain the lien on any portion of the Property subject to the Uniform Commercial Code.

6.10 Expenses. The Mortgagor shall reimburse the Mortgagee for any sums, including reasonable attorney's fees and expenses, incurred or expended by them (a) in connection with any action or proceeding to sustain the lien, security interest, priority, or validity of any Loan Documents, (b) to protect, enforce, interpret, or construe any of their rights under the Loan Documents, (c) for any title examination or title insurance policy relating to the title to the Property, or (d) for any other purpose contemplated by the Loan Documents. The Mortgagor shall, upon demand, pay all such sums together with interest thereon at the Default Interest Rate defined in the Note accruing from the time the expense is paid. All such sums so expended by the Mortgagee shall be secured by this Mortgage. In any action or proceeding to foreclose this Mortgage or to recover or collect the Loan, the provisions of law allowing the recovery of costs, disbursements, and allowances shall be in addition to the rights given by this Section 6.10.

6.11 Environmental Requirements. The Mortgagor represents and warrants to the Mortgagee that except for the matters disclosed in the Environmental Reports (as defined in the Loan Agreement), copies of which have previously been provided to the Mortgagee, there are no hazardous substances on the Real Property, that the Mortgagor has not utilized the Real Property, nor any part thereof, to treat, deposit, store, dispose of, or place any hazardous substances, as defined by 42 U.S.C.A. Section 9601(14) ("**Hazardous Substances**"); nor has the Mortgagor authorized any other person or entity to treat, deposit, store, dispose of, or place any Hazardous Substance on the Real Property, or any part thereof; and to the actual knowledge of the Mortgagor, and except as disclosed in the Environmental Reports, no other person or entity has treated, deposited, stored, disposed of, or placed any Hazardous Substance on the Real Property or any part thereof, except for paint and similar substances normally used in connection with the proper construction of the Improvements and/or the maintenance and operation of the existing facilities on the Land, in quantities not exceeding those normally kept on hand at similar facilities, all of which are stored, used and disposed of in compliance with all applicable legal and Environmental Requirements. The Mortgagor further covenants and agrees to give written notice to the Mortgagee immediately upon acquiring knowledge of the existence of any condition relating to the Property which constitutes a material threat to the health, safety or property of the Mortgagor or others.

The Mortgagor hereby covenants and agrees that, if at any time it is determined that there are Environmental Materials (hereinafter defined) located on the Real Property, the Mortgagor shall promptly take or cause to be taken, at its sole expense, such actions as may be necessary to comply with all Environmental Requirements. The term "**Environmental Materials**" means any materials which: (i) under any Environmental Requirements require special handling in collection, storage, treatment or disposal, (ii) are defined as hazardous material, hazardous substances or hazardous waste under the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et. seq.), the Comprehensive Environmental Response Compensation and Liability of Act of 1980 (42 U.S.C. Section 9601 et seq.) ("**CERCLA**") or any similar federal law or laws of the state in which the Property is located, or (iii) are oil, petroleum products and their by-products. If the Mortgagor shall fail to take such action, the Mortgagee may make advances or payments towards performance or satisfaction of the same but shall be under no obligation to do so; and all sums so advanced or paid, including all sums advanced or paid in connection with any judicial or administrative investigation or proceeding relating thereto, including, without limitation, reasonable attorneys' fees, fines, or other penalty payments, shall be at once repayable by the Mortgagor and shall bear interest at the Default Interest Rate defined in the Note or at the maximum interest rate which the Mortgagor may by law pay, whichever is lower, from the date the same shall become due and payable until the date paid, and all sums so advanced or paid, with interest as aforesaid, shall become a part of the indebtedness secured hereby. The Mortgagor further covenants and agrees that the Mortgagor shall, and shall cause others to, carry on the business and operations on the Real Property so as to comply and remain in compliance with all Environmental Requirements.

The Mortgagor shall defend, indemnify and hold harmless the Mortgagee against any loss, cost or expense (including, without limitation, cleanup costs, and reasonable attorneys' fees) incurred by the Mortgagee resulting from the presence on the Property at any time of any Environmental Materials. This indemnity shall apply notwithstanding any negligent or other contributory conduct by or on the part of any third parties and shall survive: (i) repayment of the Loan and the full release of the lien of this Mortgage; (ii) the extinguishment of the lien by foreclosure, power of sale, or any other action; or (iii) the delivery of a deed in lieu of foreclosure.

SECTION 7. RIGHTS AND DUTIES OF GRANTOR WITH RESPECT TO MANAGEMENT AND USE OF THE PROPERTY

7.1 Control by the Mortgagor. Until the happening of an Event of Default, the Mortgagor shall have the right to possess and enjoy the Property and, except as prohibited by the Loan Documents, to receive the Rents.

7.2 Management. At all times the Mortgagor shall provide competent and responsible management to maintain and operate the Property.

7.3 Financial Statements; Books and Records. The Mortgagor shall furnish to the Mortgagee annual financial and operating statements of the Property. Such statements shall show all items of income and expense for the operation of the Property, shall be certified by the Chief Financial Officer of the Mortgagor and shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis. All such financial and operating statements shall be supplied in draft form not later than ninety (90) days after the close of Mortgagor's fiscal year prepared by a certified public accountant and in final form not later than one hundred twenty (120) days after the close of the Mortgagor's fiscal year audited by a firm of independent certified public accountants acceptable to the Mortgagee. The Mortgagor shall also provide the Mortgagee with copies of all federal, state and local tax returns and filings within ten (10) days of the date the same are filed. The Mortgagor shall deliver, and shall cause Lessee to deliver, to Mortgagee monthly financial statements on a consolidated and consolidating basis within thirty days after each calendar month, certified by the Chief Financial Officer of the Mortgagor as to the accuracy thereof. The Mortgagor agrees to make its books and records relating to the operation of the Property available for inspection by the Mortgagee, upon request at any reasonable time, at the Mortgagor's principal place of business or at such other location in the State of Maryland as the Mortgagee may reasonably request. This paragraph shall be in addition to any other financial reporting provisions set forth in the Loan Documents.

7.4 Restriction of Assignment of Rents. The Mortgagor shall not assign the Rents arising from the Property or any part thereof or any interest therein without the prior written consent of the Mortgagee, except as permitted by the Loan Agreement. Any attempted assignment, pledge, hypothecation, or grant without such consent shall be null and void.

7.5 Alterations and Improvements. The Mortgagor shall not make any structural alterations or improvements on the Property except in accordance with approved plans and specifications submitted to and approved by the Mortgagee, as provided in the Loan Agreement. All alterations or improvements shall be erected (a) in a good and workmanlike manner strictly in accordance with all applicable law, (b) entirely on the Land (c) without encroaching upon any easement, right of way, or land of others, (d) so as not to violate any applicable use, height, set-back or other applicable restriction, and (e) without permitting any mechanic's lien to attach to the Property which is not being contested as permitted in Section 7.10. All alterations, additions, and improvements to the Property shall automatically be a part of the Property and shall be subject to this Mortgage.

7.6 Restrictions on Sale and Transfer of the Property. The Mortgagor shall not permit the Property, or any part or portion thereof or any interest therein, to be transferred (whether by voluntary or involuntary conveyance, merger, operation of law, or otherwise), other than as may expressly be permitted under the provisions of this Mortgage or the Loan Agreement, without the prior written consent of the Mortgagee. Any transferee of the Property or any part or portion thereof in fee simple, by virtue of its acceptance of the transfer, shall (without in any way affecting the Mortgagor's liability under the Loan Documents) be conclusively deemed to have agreed to assume primary liability for the performance of the Mortgagor's obligations under the Loan Documents. The sale, assignment, transfer or conveyance of any member interest in the Mortgagor shall be deemed a sale, assignment, transfer and conveyance of the Property in contravention of the provisions of this paragraph, and the sale,

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assignment, transfer or conveyance of member or other interest of any kind in any of the members of the Mortgagor shall be deemed a sale, assignment, transfer and conveyance of the Property in contravention of the provisions of this paragraph. This section shall not apply to any condemnation, any disposition permitted by Section 7.09 or any disposition by the Mortgagee by foreclosure hereunder or as otherwise permitted by the Loan Documents.

7.7 Restriction on Encumbrances. The Mortgagor shall not allow any Encumbrances on the Property except the Permitted Encumbrances. The Mortgagor shall give the Mortgagee prompt notice of any default in or under any Permitted Encumbrances and any notice of foreclosure or threat of foreclosure. The Mortgagor shall comply with its obligations under all Permitted Encumbrances. The Mortgagee may, at its election, satisfy any Encumbrance (other than a Permitted Encumbrance not then in default), and the Mortgagor shall, on demand, reimburse the Mortgagee for any sums advanced for such satisfaction together with interest at the Default Interest Rate stated in the Note accruing from the date of satisfaction, which sums shall be secured hereby.

7.8 Maintenance, Waste, Repair and Inspection. The Mortgagor shall: (a) keep and maintain the Property in good order, condition, and repair and make, in a prompt manner, all equipment replacements and repairs necessary to insure that the security for the Loan is not impaired; (b) not commit or suffer any waste of the Property; (c) promptly protect and conserve any portion of the Property remaining after any damage to, or partial destruction of, the Property; (d) promptly repair, restore, replace or rebuild any portion of the Property which is damaged or destroyed; (e) promptly restore the balance of the Property remaining after any condemnation; (f) permit the Mortgagee or its designee to inspect the Property at all reasonable times; and (g) not make any material change in the grade of the Property or permit any material excavation of or on the Property, except as required for utility easements and in connection with improvements contemplated in the Loan Agreement.

7.9 Removal and Replacement of Equipment and Improvements. Except for actions taken in connection with the preparation of the Property for the construction of the Improvements, no part of the Property, except supplies consumed or raw materials, work in progress and finished goods sold or transferred in the ordinary course of business operations as they are currently conducted, shall be removed from the Land, demolished, or materially altered without the prior written consent of the Mortgagee. The Mortgagor may, without consent and free from the lien and security interest of this Mortgage, remove and dispose of any worn out or obsolete fixtures or equipment which are a part of the Property, provided that prior to or simultaneously with their removal, such fixtures and equipment shall be replaced with fixtures or equipment of equal or greater value. The replacement fixtures or equipment shall be free of all Encumbrances, shall automatically be subject to the lien and security interest of this Mortgage, and shall automatically be subject to the granting clauses hereof. Upon the sale of any removed fixtures and equipment which are not replaced, the proceeds shall, at the election of the Mortgagee, be applied as a prepayment of amounts guaranteed by the Mortgagor under the Loan Documents, whether then due or not. All sales shall be conducted in a commercially reasonable manner.

7.10 Taxes and Permitted Contests. The Mortgagor shall pay: (a) all taxes, assessments and other governmental charges on or before the date any interest or penalty begins to accrue or attach thereto; and (b) all lawful claims which, if unpaid, might become a lien or charge upon the Property; provided, however, that the Mortgagor shall not be required to pay any taxes or claim the amount, validity or payment of which is being contested, in good faith, by appropriate legal proceedings, and so long as, in the sole opinion of the Mortgagee, no part of the Property is in danger of being sold, forfeited or lost and the contest is not impairing the security for the Loan. Upon payment thereof, the Mortgagor shall promptly supply the Mortgagee with receipts showing the payment of the taxes or claim.

7.11 Restrictive Covenants, Zoning, etc. No restrictive covenant, zoning change, or other restriction affecting the Property may be entered into, requested by or consented to by the Mortgagor without the prior written consent of the Mortgagee, which consent shall not be unreasonably withheld.

7.12 Preservation of Appurtenances. The Mortgagor will do all things necessary to preserve intact and unimpaired, all easements, appurtenances, and other interests and rights in favor of, or constituting any portion of, the Property.

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SECTION 8. INSURANCE AND CONDEMNATION

8.1 Builder's Risk and Casualty Insurance. At all times that any amounts are guaranteed or owing by the Mortgagor under the Loan Documents, the Mortgagor shall keep the Property insured for the benefit of the Mortgagor, the Mortgagee and the Mortgagee against loss or damage by either standard builder's risk insurance or all-risk peril insurance, as the Mortgagee may require from time to time. Such insurance shall be written in amounts equal to the greater of the total amount due and owing by the Mortgagor to the Mortgagee under the Loan Documents, one hundred percent (100%) of the replacement value of the Property (excluding land), or such other amount as may be approved by the Mortgagee. Such insurance shall be written in forms and by companies satisfactory to the Mortgagee, and the losses thereunder shall be payable to the Mortgagee alone and not to the Mortgagor and the Mortgagee or the Mortgagee, jointly. The policy or policies of such insurance shall, if requested by the Mortgagee, be delivered to and retained by the Mortgagee, and shall contain a standard New York Mortgagee Clause showing the loss, if any, as payable to the Mortgagee and shall require the insurer to give the Mortgagee and the Mortgagee at least thirty (30) days' prior notice of its cancellation or nonrenewal of the policy or policies. The Mortgagor shall provide the Mortgagee with receipt evidencing the payment of all premiums due on such policies. The Mortgagor shall give the Mortgagee prompt notice of any loss covered by such insurance, and the Mortgagee or the Mortgagee shall have the right (subject to the approval of the Mortgagor, so long as no Event of Default has occurred) to adjust any loss covered by an insurance policy. All monies received as payment for a loss covered by an insurance policy ("Insurance Proceeds") shall be paid over to the Mortgagee to be applied, at the option of the Mortgagee, either to the prepayment of the indebtedness secured by the Mortgage or to the payment of other charges or expenses actually incurred by the Mortgagor in the restoration, reconstruction, repair, renovation or replacement of the Property.

8.2 Liability Insurance. The Mortgagor will at all times keep itself insured against liability for damages arising from any accident or casualty in or upon the Property by maintaining comprehensive general public liability insurance, the minimum limits of which shall be One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) in the aggregate, with a minimum Ten Million Dollars ($10,000,000) in excess liability (umbrella form) coverage per occurrence and in the aggregate.

8.3 Contractors' Insurance. During the construction of the improvements, the Mortgagor will cause all contractors and subcontractors (including the Mortgagor if applicable) to obtain and keep in effect (or secure coverage itself) a contractors' liability insurance policy or policies in builders' all risk form, with loss payable endorsements acceptable to the Mortgagee, insuring the Improvements described in the Loan Agreement and all materials and supplies purchased with advances of the Loan, together with a policy or policies for Workers' Compensation Insurance to the full extent required by the laws of the State of Michigan. Upon request, the Mortgagor shall provide the Mortgagee with evidence satisfactory to the Mortgagee that all such insurance is in effect.

8.4 Other Insurance. The Mortgagor may not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under the above paragraph unless the Mortgagee is included thereon as a named insured with losses payable to the Mortgagee as above provided. The Mortgagor shall immediately notify the Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to the Mortgagee the policy or policies of such insurance.

If any of the Improvements on the Property are located in an area which has been identified as a non-minimal flood hazard area, the Mortgagor will keep the Property covered by flood insurance in an amount at least equal to the full amount secured by this Mortgage or the maximum limit of coverage available for the Property.

Unless a written waiver from the Mortgagee is obtained, the Mortgagor shall (a) keep all of its insurable properties insured against all risks usually insured against by persons operating like properties in the localities where the properties are located; and (b) maintain public liability insurance against claims for personal injury, death or property damage suffered by others upon or in or about any premises occupied by it or occurring as a result of its maintenance or operation of any automobiles, trucks or other vehicles or airplanes or other facilities or as a result of the use of products sold by it or services rendered by it.

8.5 Condemnation and Allocation of Condemnation Awards. The Mortgagor, immediately upon obtaining knowledge of the institution of any proceeding for a condemnation, will notify the Mortgagee of such proceedings. The Mortgagee may participate in any such proceedings, and the Mortgagor will, from time to time, deliver to the Mortgagee all instruments requested by them to permit such participation. Any award or payment made as a result of any taking shall be paid to the Mortgagee, to be applied (a) if funds sufficient to restore the remainder of the Property are available from such award or payment (together with other funds supplied or caused to be supplied by the Mortgagor) and no Event of Default is then outstanding, to the restoration of the remainder of the Property, or (b) if sufficient funds are not available to restore the remainder of the Property, or an Event of Default is then outstanding, to prepayment of amounts guaranteed by the Mortgagor under the Loan Documents, whether then due or not. All moneys not utilized for the repair or restoration of the remainder of the Property shall be applied as a prepayment of amounts guaranteed by the Mortgagor under the Loan Documents, whether then due or not, in inverse order of maturity. The application of any award or payment as a prepayment of amounts due under the Note shall take effect only on the actual date of the receipt of the payment or award by the Mortgagee. In the event any payment or award is used to restore the Property, as aforesaid, the Mortgagee shall not be obligated to see to the proper allocation thereof, nor shall any amount so used be deemed a payment of any indebtedness secured by this Mortgage. Payments or awards to be used for restoration purposes, as aforesaid, shall be held by the Mortgagee and disbursed under such terms and conditions, to such persons, and at such times, as the Mortgagee may determine.

SECTION 9. DEFAULT

9.1 Event of Default. The occurrence of any of the following shall constitute an Event of Default:

9.01.1 Event of Default Under Other Loan Documents. An "Event of Default" (if so defined) occurs under a Loan Document other than this Mortgage.

9.01.2 Insurance Provisions. The failure of the Mortgagor to perform its obligations set forth in Section 8 to keep the Property adequately and continually insured.

9.01.3 Receiver; Bankruptcy. If the Mortgagor (a) applies for, or consents in writing to, the appointment of a receiver, trustee, or liquidator for it of the Property, or of all or substantially all of its assets, (b) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they become due, (c) makes an assignment for benefit of creditors, (d) files a petition or an answer seeking a reorganization, composition, adjustment arrangement with creditors, or takes advantage of any insolvency law, (e) files an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization, composition, adjustment, arrangement, or insolvency proceeding, or (f) is dissolved as a result of an adversary suit or proceeding.

9.01.4 Receiver; Bankruptcy (Involuntary). If (a) any execution or attachment levied against the assets of the Mortgagor is not set aside, discharged, or stayed within forty-five (45) days, (b) an order, judgment, or decree is entered by any court of competent jurisdiction on the application of a creditor, adjudicating the Mortgagor a bankrupt or insolvent, or appointing a receiver, trustee, or liquidator for the Mortgagor of all or substantially all of its assets, or (c) an order of relief is entered against the Mortgagor pursuant to any bankruptcy statute or law and such order, judgment, or decree continues unstayed and in effect for a period of forty-five (45) days.

9.01.5 Assignment of Rents. Any attempted assignment by the Mortgagor of the whole or any part of the Rents in contravention of Section 7.04.

9.01.6 Prohibited Transfer or Encumbrance. Any transfer or event in violation of Sections 7.05, 7.06, 7.07 or 7.09.

9.01.7 Loss of License. The loss of any material license or permit necessary for the improvement, operation, occupancy, or use of the Property (whether such license or permit is issued to the Mortgagor or to another entity responsible for the operation of the Retirement Community).

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9.01.8 Defaults under Subordinate Liens. Any default by the Mortgagor under any documents executed in connection with any subordinate liens (including any such liens in favor of the Mortgagee) against the Property, which default is not cured within any applicable grace or cure period.

9.01.9 Environmental Requirements. Failure of the Mortgagor to comply with all Environmental Requirements which is not cured within thirty (30) days after notice from the Mortgagee.

9.01.10 Other Defaults. The failure of the Mortgagor to perform or observe any of its obligations or covenants under this Mortgage not previously specifically referred to in this Article 8, which failure continues for a period of thirty (30) days after written notice to the Mortgagor; provided, however, that the Mortgagee may, in its sole discretion, extend the cure period for any default upon the reasonable request of the Mortgagor in the event that the default cannot be cured within the time set forth in this Mortgage and the Mortgagor is diligently pursuing cure of the default.

9.01.11 Environmental Liens. If the Environmental Protection Agency of the United States ("**EPA**"), or any other state or federal agency or any other person or entity asserts or creates a lien upon any or all of the Property by reason of the failure of the Mortgagor to comply with all Environmental Requirements or asserts a claim against the Mortgagor, the Property, or the Mortgagee for damages or cleanup costs related to the Mortgagor's failure to comply with all Environmental Requirements.

9.2 Payment or Performance by Mortgagee. Upon the occurrence of any Event of Default, the Mortgagee may, at its option, make any payments or take any other actions it deems necessary or desirable to cure the Event of Default or conserve the Property. The Mortgagor shall, upon demand, reimburse the Mortgagee for all sums so advanced or expenses incurred by the Mortgagee, together with interest at the Default Interest Rate stated in the Note from the date of advance or payment of the same, which sums shall be secured by this Mortgage. The Mortgagee may enter upon the Property without prior notice to the Mortgagor or judicial process and may take any action to enforce its rights under this Section 9.02 without liability to the Mortgagor.

9.3 Completion of Improvements: Upon the occurrence of an Event of Default, the Mortgagor agrees that the Mortgagee may, in addition to any other remedies available to it and in its sole discretion, (i) enter upon the Land and complete the Project in accordance with the Plans and Specifications with such changes therein as the Mortgagee may deem appropriate, and employ watchmen to protect the Property, (ii) at any time discontinue any work commenced in respect of the Project, (iii) assume any or all contracts covered by any other contracts made by the Mortgagor relating to the construction or equipping of the Retirement Community and take over and use all or any part of the labor, materials, supplies and equipment contracted for by the Mortgagor, (iv) engage builders, contractors, and others for the purpose of furnishing labor, materials and equipment in connection with the Project, and (v) pay, settle or compromise all bills or claims that may become liens against the Property. The Mortgagor shall be liable to the Mortgagee for all sums paid or incurred by the Mortgagee to construct and equip the Project whether the same shall be paid or incurred pursuant to the provisions of this Section 9.03 or otherwise (such liabilities to be part of the Mortgagor's obligations), and all payments made or liabilities incurred by the Mortgagee hereunder of any kind whatsoever shall be paid by the Mortgagor to the Mortgagee upon demand with interest at the Default Interest Rate provided in the Note. For the purpose of exercising the rights granted by this Section, the Mortgagor hereby irrevocably constitutes and appoints the Mortgagee its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of the Mortgagor.

9.4 Possession by Mortgagee. Upon the occurrence of an Event of Default, the Mortgagee may enter upon and take possession of the Property with notice to the Mortgagor, but without judicial process or the appointment of a receiver. The Mortgagee may exclude all persons from the Property and may proceed to operate the Property and receive all Rents. The Mortgagee shall have the right as agent for the Mortgagor to operate the Property and carry on the business of the Mortgagor, either in the name of the Mortgagor or otherwise. The Mortgagee shall not be liable to the Mortgagor for taking possession of the Property, as aforesaid, nor shall the Mortgagee be required to make repairs or replacements, and the Mortgagee shall be liable to account only for Rents actually received by the Mortgagee. All Rents collected by the Mortgagee shall be applied (a) first, to pay all expenses incurred in taking possession of the Property, (b) second, to pay costs and expenses to operate the Property and/or to comply with the terms of the Loan Documents, including actual attorney's fees, (c) third, to pay all sums

secured by the Loan Documents in the order of priority selected by the Mortgagee, and (d) fourth, with the balance, if any, to the Mortgagor or such other person as may be entitled thereto.

9.5 Collection of Rents. Upon the occurrence of an Event of Default and upon written demand by the Mortgagee to the Tenants, all Rents shall be payable directly to the Mortgagee.

9.6 Acceleration; Judgment; Foreclosure. At any time during the existence of an Event of Default, the Mortgagee, at the Mortgagee's option, may declare the Loan to be immediately due and payable without further demand, and may recover judgment against the Mortgagor for all amounts owing in connection with the Loan (but neither the recovery of judgment nor the levy of execution on the Property shall affect the Mortgagee's rights hereunder or the lien hereof), may foreclose this Mortgage by judicial proceeding or by advertisement, at the option of the Mortgagee, pursuant to applicable statutes, and execute on any judgment obtained in connection with the Loan through a sheriff's sale of the Property, and may invoke any other remedies permitted by Michigan law or provided in this Mortgage or in any other Loan Document, including, without limitation, the sale of the Property, in a foreclosure proceeding or by public sale, or through a sheriff's sale, in one or several parcels, at the Mortgagee 's option and without obligation to have the Property marshalled. The Mortgagee shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including attorneys' fees permitted under applicable law, costs of documentary evidence, abstracts and title reports.

9.7 Application and Proceeds of Sale. Upon a sale under Section 9.06, the purchaser shall receive that portion of or interest in the Property purchased by it free from any claims of the Mortgagor and without any liability to see to the application of the purchase money. The net proceeds from the sale, after deduction of all costs of the sale, shall be applied, unless otherwise required under Michigan law, (a) first, to pay all expenses incurred in taking possession of the Property, (b) second, to pay costs and expenses to operate the Property, including attorney's fees, (c) third, to pay all sums guaranteed by or due from the Mortgagor under the Loan Documents, whether then due or not, in the order of priority determined by the Mortgagee, and (d) fourth, the balance, if any, to the Mortgagor or to other persons entitled thereto.

9.8 Insurance or Condemnation After Deficiency. If the Property is sold in a foreclosure proceeding under Section 9.06 prior to receipt of a condemnation award or payment, the Mortgagee shall receive and apply the proceeds of the award or payment toward the satisfaction of any deficiency resulting from the sale, whether or not a deficiency judgment is sought, recovered, or denied.

9.9 Right of the Mortgagee to Bid. The Mortgagee may bid and become the purchaser at a foreclosure sale under this Mortgage.

9.10 Bond. The Mortgagor waives any right to require the person authorized to make the sale hereunder to post a bond.

9.11 Appointment of a Receiver.

(a) Upon the occurrence of an Event of Default, the Mortgagee shall be entitled to the immediate appointment of a receiver for the Property, without regard to the value of the Property or the solvency of any person liable for payment of the amounts due under the Loan Documents. Upon obtaining possession of the Property or upon the appointment of a receiver, the Mortgagee or the receiver, as the case may be, may, at its sole option, (a) make all necessary or proper repairs and additions to or upon the Property, (b) operate, maintain, control, make secure and preserve the Property, (c) receive all Rents, and (d) complete the construction of any unfinished improvements on the Property and, in connection therewith, continue any and all outstanding contracts for the erection and completion of such Improvements and make and enter into any further contracts which may be necessary, either in their or its own name or in the name of the Mortgagor (the cost of completing the Improvements shall be expenses secured by this Mortgage and accrue interest as set forth herein). In so doing, the Mortgagee or such receiver shall have the right to manage the Property and to carry on the business of the Mortgagor and may exercise all of the rights and powers of the Mortgagor, either in the name of the Mortgagor, or otherwise, including, but without limiting the generality of the foregoing, the right to lease the Property, to cancel, modify, renew or extend any Lease or sublease of the Property and to carry on any contracts entered into by the Mortgagor with respect to the Property. The Mortgagee or such receiver shall be under no liability for, or by reason of, any such

taking of possession, entry, holding, removal, maintaining, operation or management, except for gross negligence or willful misconduct. The Mortgagor shall pay on demand to the Mortgagee or the receiver (as the case may be) the amount of any deficiency between (a) the Rents received by the Mortgagee or the receiver, and (b) all expenses incurred in taking possession of, and operating, the Property, together with interest thereon at the Default Interest Rate as provided in the Note. The exercise of the remedies provided in this Section shall not cure or waive any Event of Default and the enforcement of such remedies, once commenced, shall continue for so long as the Mortgagee shall elect, notwithstanding the fact that the exercise of such remedies may have, for a time, cured the original Event of Default.

(b) The failure of the Mortgagor to pay any taxes or assessments assessed against the Property, or any installment thereof, in each case prior to delinquency, or the failure to maintain in effect insurance covering the Property as required by this Mortgage or the other Loan Documents, shall constitute waste as provided by Act No. 236 of the Michigan Public Acts of 1961 as amended (MCLA §600.2927). The Mortgagor hereby consents to the appointment of a receiver under said statute, should the Mortgagee elect to seek such relief thereunder. The Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor or hearing thereon. Payment by the Mortgagee for or on behalf of the Mortgagor of any such delinquent payment shall not cure the default nor shall it impair the Mortgagee's right to the appointment of a receiver.

9.12 Remedies Cumulative. All rights, powers, and remedies of the Mortgagee provided for in the Loan Documents are cumulative and concurrent and shall be in addition to and not exclusive of any appropriate legal or equitable remedy provided by law or contract. Exercise of any right, power, or remedy shall not preclude the simultaneous or subsequent exercise of any other by the Mortgagee.

9.13 Consent to Jurisdiction and Venue. The Mortgagor consents to be sued in any jurisdiction where any of the Property is located.

9.14 Rights Under the Uniform Commercial Code. Upon the occurrence of an Event of Default, the Mortgagor shall assemble and make available to the Mortgagee those portions of the Property which consist of personal property at a place to be designated by the Mortgagee may exercise all the rights and remedies of a secured party under the Uniform Commercial Code. Any notices required by the Uniform Commercial Code shall be deemed reasonable if mailed certified mail, return receipt requested, postage prepaid, by the Mortgagee to the Mortgagor. Disposition of the Property shall be deemed commercially reasonable if made pursuant to a public offering advertised at least twice in a newspaper of general circulation in the County where the Property is located.

9.15 Waiver of Jury Trial. The Mortgagor hereby voluntarily and intentionally waives any right it may have to a trial by a jury in any action, proceeding or litigation directly or indirectly arising out of, under or in connection with the Loan, this Mortgage, or any of the other Loan Documents to which the Mortgagor is a party. This waiver applies to all claims against all parties to such actions and proceedings, including parties who are not parties to this Mortgage. This waiver is knowingly, intentionally, and voluntarily made by the Mortgagor who acknowledges that it has been represented in the execution of this Mortgage and in the making of this waiver by independent legal counsel, selected of its own free will, and that it has had the opportunity to discuss this waiver with counsel. The Mortgagor further acknowledges that it has read and understands the meaning and ramifications of this waiver provision.

9.16 Warning/Waiver. WARNING: THIS INDENTURE CONTAINS A POWER OF SALE AND UPON EVENT OF DEFAULT MAY BE FORECLOSED BY ADVERTISEMENT. IN FORECLOSURE BY ADVERTISEMENT AND THE SALE OF THE PROPERTY IN CONNECTION THEREWITH, NO HEARING IS REQUIRED AND THE ONLY NOTICE REQUIRED IS THE PUBLICATION OF NOTICE IN A LOCAL NEWSPAPER AND THE POSTING OF A COPY OF THE NOTICE ON THE REAL PROPERTY.

WAIVER: THE MORTGAGOR HEREBY WAIVES ALL RIGHTS UNDER THE CONSTITUTION AND THE LAWS OF THE UNITED STATES AND UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MICHIGAN TO A HEARING PRIOR TO THE SALE IN CONNECTION WITH THE ABOVE-MENTIONED FORECLOSURE BY ADVERTISEMENT AND ALL NOTICE REQUIREMENTS EXCEPT AS SET FORTH IN THE MICHIGAN STATUTE PROVIDING FOR FORECLOSURE BY ADVERTISEMENT.

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SECTION 10. MISCELLANEOUS

10.1 Financing Sign on Property. Publicity: The Mortgagor authorizes the Mortgagee, at the Mortgagee's expense, to place signs on the Land at any locations selected by the Mortgagee and approved by the Mortgagor until completion of the Project, and to prepare and furnish news releases at any time to the news media or any other publications selected by the Mortgagee advertising the fact that financial assistance for the Project has been obtained from the Mortgagee.

10.2 Waivers. No term of any Loan Document shall be deemed waived unless the waiver shall be in writing and signed by the parties making the waiver. No failure by the Mortgagee to insist upon the Mortgagor's strict performance of any of the terms of the Loan Documents to which the Mortgagor is a party shall be deemed or construed as a waiver of those or any other terms. Any delay in exercising or enforcing any rights with respect to a Default or an Event of Default shall not bar the Mortgagee from exercising any rights under the Loan Documents, or at law or in equity.

10.3 Consents.

10.03.1 The Mortgagee may (a) release any person liable under the Loan Documents, (b) release any part of the security, (c) extend the time of payment of the Loan, and/or (d) modify the terms of the Loan Documents, regardless of consideration and without notice to or consent by the holder of any subordinate lien on the Property. No release, extension or modification of the security held under the Loan Documents shall impair or affect the lien of this Mortgage or the priority of such lien over any subordinate lien.

10.03.2 Regardless of whether a person has been given notice or has given its prior consent, it shall not be relieved of any obligation under any Loan Documents by reason of (a) the failure of the Mortgagee or any other person to take any action, foreclose, or otherwise enforce any provision of the Loan Documents, (b) the release of any other person liable under any Loan Document, (c) the release of any portion of the security under the Loan Documents, or (d) any agreement or stipulation between any subsequent owners of the Property and the Mortgagee extending the time of payment or modifying the terms of any Loan Document.

10.4 Headings. All section headings are for convenience only and shall not be interpreted to enlarge or restrict the provisions of this Mortgage.

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

(a) If to the Mortgagee: Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21201
Attn: Bruce D. McLean, Senior Vice President

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

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202

(b) If to Mortgagor: Novi Campus, LLC
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: Chief Operating Officer

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

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

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

10.6 Binding Effect. No transfer of any portion of the Property or any interest thereon shall relieve any transferor of its obligations under the Loan Documents. No transferor of any obligation under any Loan Document shall be relieved of its obligations by any modification of any Loan Document subsequent to the transfer.

10.7 Amendment. This Mortgage may not be modified except in writing signed by (a) the Mortgagee and (b) the Mortgagor.

10.8 Severability. In the event any provision of this Mortgage shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

10.9 Notices from Governmental Authorities Affecting the Property. Any notice from any governmental or quasi-governmental authority or corporation with respect to the Property sent to or known by the Mortgagor shall be promptly transmitted to the Mortgagee.

10.10 Applicable Law. Except as provided to the contrary below, this Mortgage shall be governed by and construed in accordance with the internal laws of the State of Maryland applicable to contracts made and to be performed in such state (without regard to principles of conflicts of law applicable under Maryland law and applicable laws of the United States of America); provided, however, that with respect to the provisions hereof which relate to title or the creation, perfection, priority, enforcement or foreclosure of liens on and security interests in or assignments of any of the Property, or as otherwise required by the laws of Michigan, this Mortgage shall be governed by the laws of Michigan; it being understood that, to the fullest extent permitted by the laws of Michigan, the laws of the State of Maryland shall govern the validity and enforceability of this Mortgage in all instances where the law of Michigan is not specifically made the law applicable to this Mortgage.

10.11 Time of the Essence. Time is of the essence with respect to the Loan Documents.

10.12 Effect of Payments. Any payment or other performance made in accordance with the Loan Documents by any person other than the Mortgagor shall not entitle such person to any right of subrogation under the Loan Documents, unless expressly consented to in writing by the Mortgagee.

10.13 Word Forms. The use of any gender, tense, or conjugation herein shall be applicable to all genders, tenses and conjugations. The use of the singular shall include the plural and the plural shall include the singular.

10.14 Assignment of Rents. The Mortgagor, as additional security for the payment of the debt evidenced by the Note, together with interest thereon, insurance premiums, taxes and assessments, at the time and in the manner provided herein, and for the performance of the covenants and agreements contained herein and in the Note and/or the Loan Documents, does hereby sell, assign, transfer and set over unto the Mortgagee (i) all of the rents, profits, income and other moneys, whether due or to become due, under all oral or written leases, licenses or other agreements for the use or occupancy of the Property, or any part thereof, in existence or coming into existence during the period this Mortgage is in effect, and (ii) all of the rights and benefits conferred by Act No. 210 of the

Michigan Public Acts of 1953, as amended from time to time (MCLA §554.231, et seq.). This assignment of rents shall run with the land and be good and valid as against the Mortgagor herein, or those claiming by, through or under the Mortgagor, from the date of the recording of this Mortgage in Michigan, provided, however, that the Mortgagor may collect and retain such rents, profits and income so long as the Mortgagor is not in default hereunder. This assignment shall continue to be operative during the foreclosure or any other proceeding taken to enforce this Mortgage. In the event of a sale on foreclosure which shall result in deficiency, this assignment shall stand as security during the redemption period for the payment of such deficiency.

In the event of default by the Mortgagor under this Mortgage, the Note or the Loan Documents, the Mortgagor shall, upon demand therefor made by the Mortgagee, deliver and surrender possession of the Property to the Mortgagee, who shall thereafter collect the rents, profits and income therefrom, rent or lease said Property or any portion thereof upon such terms and for such time as it may deem best, terminate any tenancy and maintain proceedings to recover rents or possession of the Property from any tenant or trespasser, and apply the proceeds of such rent, profits and income actually collected, less all reasonable costs incurred in making such collection or in renting, leasing, operating or maintaining the Property, in such order of priority, proportion and upon such item or items as it may determine.

If the Mortgagor fails, refuses or neglects to deliver or surrender such possession, the Mortgagee shall be entitled to the appointment of a receiver of the Property and of the earnings, issues, rents, profits and income with such power as the Court making such appointment may confer. The collection by the Mortgagee of rents or other income from the Property shall in no way waive the right of the Mortgagee to foreclose this Mortgage in the event of default, and the Mortgagee shall be entitled to all of the rights and remedies accorded to a mortgagee by the statutes of the State of Michigan in effect from time to time.

10.15 Future Advances. This Mortgage secures future advances to be made periodically not to exceed at any one time outstanding the face amount of the Note. This Mortgage is a future advance mortgage under MCLA §565.901.

IN WITNESS WHEREOF the Mortgagor, by its duly authorized member, has executed and delivered this Mortgage under the Mortgagor's seal as of the date and year first written above.

WITNESSES:

Print Name: Jessie N. Lopez, Jr.

Print Name: Elizabeth M. Edwards

NOVI CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, Member

By: Andrew V. Aldi (SEAL)
Andrew V. Aldi,
Executive Vice President and Chief Operating Officer

STATE OF MARYLAND :

: SS:

CITY OF BALTIMORE :

On the 12th day of Feb., 2002 before me personally came Andrew V. Aldi , to me known to be the person who executed the foregoing instrument, and who, being by me duly sworn, did depose and say that he is the Executive Vice President and Chief Operating Officer of Erickson Retirement Communities, LLC, a Maryland limited liability company which is a member of Novi Campus, LLC, a Maryland limited liability company; and that he executed the foregoing instrument in the name of Novi Campus, LLC, and that he had authority to sign the same, and acknowledged that he executed the same as the act and deed of Novi Campus, LLC.

Christine C Furr
NOTARY PUBLIC

CHRISTINE C. FURR NOTARY PUBLIC HOWARD COUNTY, MD.

My Commission Expires:_____

CHRISTINE C. FURR
Notary Public
Howard County, Maryland
My Commission Expires Nov. 15, 2005

EXHIBIT A

Legal Description

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3:

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

PARCEL 4:

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

ALSO DESCRIBED AS:

Part of the West ½ of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Commencing at the Southwest Corner of Section 1, Town 1 North, Range 8 East; thence along the West Line of Section 1, North 03°28'39" West 60.01 feet to the POINT OF BEGINNING; thence continuing along the West Line of Section 1, North 03°28'39" West 2590.40 feet to the West ¼ Corner of Section 1, Town 1 North, Range 8 East; thence along the West Line of Section 1 and along the boundary of "The Maples of Novi, Maple Hills", Oakland County Condominium Plat No. 627, North 02°28'35" West 649.69 feet; thence continuing along the boundary of "The Maples of Novi, Maple Hills" the following two (2) courses: one (1) North 87°21'41" East 682.69 feet and two (2) North 03°11'10" West 2.24 feet; thence along the south boundary of "Haverhill Farms", Oakland County Condominium Plat No. 912, North 87°19'27" East 693.69 feet; thence South 03°16'01" East 3236.69 feet to a point 70.00 feet North of the South Line of Section 1, thence along the North Line of Thirteen Mile Road the following five (5) courses: one (1) South 87°31'40" West 25.33 feet, two (2) South 02°28'20" East 15.00 feet, three (3) South 87°31'40" West 300.00 feet, four (4) North 02°28'20" West 5.00 feet, and five (5) South 87°31'40" West 1050.40 feet to the POINT OF BEGINNING. Contains 102.817 Acres.

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LIBER26043PAGE697

291096
LIBER 26043 PAGE 697
$43.00 MORTGAGE
$2.00 REMONUMENTATION
07/09/2002 10:09:40 A.M. RECEIPT# 56411
PAID RECORDED - OAKLAND COUNTY
G.WILLIAM CADDELL, CLERK/REGISTER OF DEEDS

MORTGAGE

THIS DOCUMENT CONSTITUTES A FUTURE ADVANCE MORTGAGE
UNDER MCLA §565.901

THE MAXIMUM PRINCIPAL AMOUNT OF THIS MORTGAGE WILL NOT EXCEED $46,000,000

NOVI CAMPUS, LLC,
a Maryland limited liability company

(Mortgagor)

to

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
a Maryland corporation

(Mortgagee)

Dated February 12, 2002

This instrument has been executed outside the State of Michigan

DRAFTED BY AND
WHEN RECORDED, RETURN TO:

BALLARD SPAHR ANDREWS & INGERSOLL, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202-3268
Attention: Christopher J. Fritz, Esquire

O.K. - LG

GRECO

MD_DOCS_A #1159552 v5

Bank Of America - CD#13 - Control ID#1133

Document: 1.5

MORTGAGE

THIS MORTGAGE (the "**Mortgage**") is made as of the 12th day of February, 2002, from NOVI CAMPUS, L.L.C. a Maryland limited liability company (the "**Mortgagor**"), to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, and any successor holder of the Note secured hereby and hereafter defined (the "**Mortgagee**").

SECTION 1. RECITALS

1.1 The Credit Facility. The Mortgagor is indebted to the Mortgagee for a revolving loan and letter of credit facility in the aggregate principal amount at any one time outstanding not to exceed Sixty Million Dollars ($60,000,000) (the "**Loan**") to be advanced pursuant to a Construction Loan Agreement between the Mortgagor and the Mortgagee of even date herewith (together with all amendments thereto, the "**Loan Agreement**"), as evidenced by a Revolving Loan Note of the Mortgagor of even date herewith (together with all amendments thereto, the "**Note**"). The Mortgagor intends to use the proceeds of the Loan to finance the construction of a retirement community (the "**Retirement Community**") on the Land (hereinafter defined). The Retirement Community will be leased to and operated by Fox Run Village, Inc., a Maryland non-profit corporation ("**FRVI**").

1.2 Obligations Secured. This Mortgage secures (a) the payment of all sums due to the Mortgagee by the Mortgagor according to the terms of any of the Loan Documents (hereinafter defined), (b) the Mortgagor's obligations with respect to future advances, which may be made by the Mortgagee for any reason and (c) the performance of, and compliance with, all of the obligations of the Mortgagor (express or implied) contained in the Loan Documents.

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SECTION 2. DEFINITIONS. Whenever capitalized in this Mortgage, the following terms shall have the meaning given in this Section 2, unless the context clearly indicates a contrary intent.

2.1 Encumbrances: All liens, mortgages, rights, leases, restrictions, easements, deeds of trust, covenants, agreements, rights of way, rights of redemption, security interests, conditional sales agreements, land installment contracts, options, and all other burdens or charges.

2.2 Environmental Requirements: Any federal, state, regional, county or local law, statute, ordinance, rule or regulation; or court administrative order or decree; or private agreement, which requires special handling, collection, storage, treatment, disposal or removal of any materials located in or on or about the Property, or which concerns public health, safety, or the environment, including, without limitation, relating to (i) releases, discharges, emissions, or disposals to air, water, land or ground water, (ii) the withdrawal or use of ground water and (iii) the exposure of persons to toxic, hazardous or other controlled, prohibited, or regulated substances.

2.3 Event of Default: Any one or more of the events described in Section 9.01 hereof.

2.4 Insurance and Condemnation Proceeds. All of the items described in Section 3.04.

2.5 Land: The land consisting of approximately 102 acres located on Thirteen Mile Road, in the City of Novi, Oakland County, Michigan, which is more particularly described in Exhibit A attached to this Mortgage and incorporated by reference herein.

2.6 Loan Documents: The term "Loan Documents" shall have the meaning set forth in the Loan Agreement.

2.7 Mortgage: This instrument, including all current and future supplements, amendments and attachments thereto.

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2.8 Mortgagee: Mercantile-Safe Deposit and Trust Company, its successors and assigns, and any subsequent holder of the Note.

2.9 Mortgagor: Novi Campus, LLC, its successors and assigns.

2.10 Note: The Revolving Loan Note of even date herewith payable to the Mortgagee by the Mortgagor evidencing the Loan in the face amount of Forty-Six Million Dollars ($46,000,000), including all current and future replacements, supplements, amendments and attachments thereto.

2.11 Permitted Encumbrances: Those exceptions, if any, which appear in the title policy insuring the interest of the Mortgagee hereunder, including a subordinate mortgage for the benefit of FRVI of even date herewith, as accepted and approved by the Mortgagee, or any encumbrance hereinafter approved in writing by the Mortgagee.

2.12 Plans and Specifications. The term "Plans and Specifications" shall have the meaning set forth in the Loan Agreement.

2.13 Project: The term "Project" shall have the meaning set forth in the Loan Agreement.

2.14 Property: All of the property described in Sections 3.01, 3.02, 3.03 and 3.04.

2.15 Personal Property: All of the personal property and fixtures described in Section 3.02.

2.16 Real Property: All of the real property described in Section 3.01.

2.17 Rents. All of the rents, earnings, proceeds, accounts, general intangibles and other rights described in Section 3.03.

SECTION 3 GRANT

3.1 Real Property. The Mortgagor, in consideration of the Mortgagee's making of the Loan to the Mortgagor and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, hereby grants, mortgages, bargains, sells, conveys and assigns to the Mortgagee all the Land described more particularly in Exhibit A attached hereto as a part hereof, together with (a) all buildings and improvements now or hereafter located on the Land, (b) all rights, rights of way, air rights, riparian rights, franchises, licenses, easements, tenements, hereditaments, appurtenances, accessions and other rights and privileges now or hereafter belonging to the Land or the buildings and improvements thereupon, now owned or hereafter acquired by the Mortgagor (hereinafter collectively referred to as the "**Real Property**").

3.2 Personal Property and Fixtures. The Mortgagor further mortgages, grants, and assigns to the Mortgagee, and grants to the Mortgagee a security interest in, all of the Mortgagor's interest in all of the machines, apparatus, equipment (including, without limitation, embedded software), fixtures and articles of personal property now or hereafter located on the Land or in any improvements thereon, including without limitation all furniture, fixtures, equipment and building materials acquired with the proceeds of the Loan, and all the right, title and interest of the Mortgagor in and to any of such property which may be subject to any title retention or security agreement or instrument having priority over this Mortgage (hereinafter collectively referred to as the "**Personal Property**").

3.3 Rents and Other Rights. The Mortgagor further mortgages, grants and assigns to the Mortgagee all of the Mortgagor's interest in (a) all rents, profits, royalties, issues, revenues, income, proceeds, earnings and products generated by or arising out of the Property and all accounts receivable arising in connection with the Property and all contracts for the use and occupancy of all or any portion of the Property (including but not limited to agreements with the residents of the Retirement Community), all contracts of sale for all or any portion of the Property, and all deposits to secure performance by contract purchasers for all or any portion of the Property, (b) all of the general intangibles, actions, rights in action, estate, right, title, use, claim and demand of every nature whatsoever, at law or in equity, which the Mortgagor may now have or may hereafter acquire in and to the Property,

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and (c) all right, title and interest of the Mortgagor in and to all extensions, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Property, hereafter acquired by or released to the Mortgagor, or constructed, assembled or placed by or for the Mortgagor on the Property, and all conversions of the security constituted thereby (hereinafter collectively referred to as the "**Rents**").

3.4 Insurance Policies and Condemnation Awards. The Mortgagor further mortgages, grants and assigns to the Mortgagee all insurance policies and insurance proceeds pertaining to the Property and all awards or payments, including interest thereon and the right to receive the same, which may be made with respect to any of the Property as a result of any taking or any injury to or decrease in the value of the Property (hereinafter collectively referred to as the "**Insurance and Condemnation Proceeds**").

3.5 Security Interest Under the Uniform Commercial Code. Any portion of the Property which by law is or may be real property shall be deemed to be a part of the Real Property for the purposes of this Mortgage. The remainder of the Property shall be subject to the Michigan Uniform Commercial Code as now or hereafter in effect (hereinafter referred to as the "**Uniform Commercial Code**") and this Mortgage shall constitute a Security Agreement with respect thereto. The Mortgagor hereby grants to the Mortgagee a security interest in that portion of the Property not deemed a part of the Real Property for the purpose of securing performance of all of the Mortgagor's obligations under the Loan Documents. With respect to such security interest (a) the Mortgagee may exercise all rights granted or to be granted a secured party under the Uniform Commercial Code and (b) upon the occurrence of an Event of Default the Mortgagee shall have a right of possession superior to any right of possession of the Mortgagor or any person claiming through or on behalf of the Mortgagor. The Mortgagor shall execute and file such financing statements and other security agreements as the Mortgagee shall require from time to time with respect to personal property and fixtures included in the Property. Upon any failure by the Mortgagor to do so, the Mortgagee may execute, record and file all such financing statements and other security agreements for and in the name of the Mortgagor and the Mortgagor hereby irrevocably appoints the Mortgagee the agent and attorney-in-fact of the Mortgagor to do so. The Mortgagor agrees to pay any and all filing and recording fees or other charges with respect to such documents. Further, to the extent permitted by applicable laws, the Mortgagee may file, without any Mortgagor's signature, one or more financing statements or other notices disclosing the Mortgagee's liens and other security interests. All financing statements and notices may describe the Mortgagee's collateral as *all assets or all* personal property of Mortgagor. Notwithstanding the filing of such "all assets" financing statements, the scope of *the Mortgagee's liens and security interests with respect to the collateral shall be governed by the granting language* of the Loan Documents.

SECTION 4. HABENDUM CLAUSE AND DEFEASANCE

To have and to hold the Property unto the Mortgagee, its successors and assigns forever. All right, title and interest of the Mortgagor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to the Property hereafter acquired by, or released to, the Mortgagor or constructed, assembled or placed by the Mortgagor on the Real Property, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, pledge, conveyance, assignment or other act by the Mortgagor, shall become subject to the lien of this Mortgage as fully and completely, and with the same effect, as though now owned by the Mortgagor and specifically described herein. Notwithstanding the foregoing, the Mortgagor shall, at its own cost, make, execute, acknowledge, deliver and record any and all such further acts, deeds, conveyances, mortgages, notices of assignment, transfers, assurances and other documents as the Mortgagee shall from time to time require for better assuring, conveying, assigning, transferring and confirming unto the Mortgagee or the Property and the other rights hereby conveyed or assigned or intended now or hereafter so to be, or which the Mortgagor may be or may hereafter become bound to convey or assign for carrying out the intention of facilitating the performance of the terms of this Mortgage. In addition, the Mortgagor hereby agrees that this Mortgage *is a security agreement under the Uniform Commercial Code and creates in the* Mortgagee a security interest thereunder in, among other things, all Personal Property, Insurance and Condemnation Proceeds and Rents. This Mortgage shall be effective as a financing statement pursuant to the Uniform Commercial Code. The Mortgagor shall, at its own cost and expense, execute, deliver and file any financing statements, continuation certificates and other documents the Mortgagee may require from time to time to perfect and maintain in favor of the Mortgagee a security interest under the Uniform Commercial Code in such Personal Property, Insurance and Condemnation Proceeds and Rents. Without limiting the generality of any of the foregoing, the

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Mortgagor hereby irrevocably appoints the Mortgagee attorney-in-fact, coupled with an interest, for the Mortgagor to execute, deliver and file any of the documents referred to hereinabove for and on behalf of the Mortgagor. Further, to the extent permitted by applicable laws, the Mortgagee may file, without the Mortgagor's signature, one or more financing statements or other notices disclosing the Mortgagee's liens and other security interests. All financing statements and notices may describe the Mortgagee's collateral as all assets or all personal property of the Mortgagor. Notwithstanding the filing of such "all assets" financing statements, the scope of the Mortgagee's liens and security interests with respect to the collateral shall be governed by the granting language of the Loan Documents.

Provided always, and these presents are upon this express condition, that if the Mortgagor or its successors or assigns shall well and truly pay or cause to be paid, in full, unto the Mortgagee, its successors or assigns, the obligations secured by this Mortgage, and otherwise perform the Mortgagor's respective obligations under the Loan Documents to which the Mortgagor is a party, then this Mortgage, and the estate hereby granted, shall cease, determine and be void, and the Mortgagee shall furnish to the Mortgagor a satisfaction of this Mortgage in proper form for recording, but the Mortgagee shall not be required to bear any expense or cost in connection with such satisfaction or the recording thereof.

This Mortgage secures, inter alia, present and future advances made by the Mortgagee pursuant to the Loan Documents, including, without limitation, advances made to enable completion of the Improvements, plus accrued and unpaid interest. The priority of such future advances shall relate back to the date of this Mortgage, or to such later date as required by applicable law. This Mortgage also secures advances made by the Mortgagee with respect to the Property for the payment of taxes, assessments, maintenance charges, and insurance premiums, costs incurred by the Mortgagee for the protection of the Property or the lien of this Mortgage, including attorneys' fees, and expenses incurred by the Mortgagee by reason of the occurrence of an Event of Default hereunder, including attorneys' fees and the priority of such advances, costs and expenses shall also relate back to the date of this Mortgage, or to such later date as required by applicable law.

SECTION 5 REPRESENTATIONS AND WARRANTIES

5.1 Warranty of Title and Further Assurances. The Mortgagor warrants that it is lawfully seized of an indefeasible fee simple estate in the Property free and clear of all encumbrances (except for Permitted Encumbrances), and that it has the right and authority to convey the Property and warrants specially title to the Property and that it will execute such further assurances as may be requested. The Mortgagor further covenants that the lien created hereby is and will be maintained as a first lien upon the Property.

SECTION 6 COVENANTS, RIGHTS, AND DUTIES OF MORTGAGOR GENERALLY

6.1 Covenant to Pay Obligations and to Perform Obligations Under the Terms of the Loan Documents. The Mortgagor covenants that it will punctually (a) pay or cause to be paid to the Mortgagee all amounts due under the Loan Documents executed by the Mortgagor, which includes the principal and interest of the Loan and all other costs and indebtedness secured hereby, according to the terms of the Loan Documents executed by the Mortgagor, (b) perform and satisfy all other obligations of the Mortgagor under the Loan Documents, (c) use best efforts in satisfying the conditions to advances of the Loan which conditions are specified in Article III, Article IV and Article V of the Loan Agreement, and (d) construct the Improvements (as defined in the Loan Agreement) in accordance with the terms of the Loan Documents.

6.2 Escrow Account. At the Mortgagee's option, the Mortgagor agrees that

6.02.1 Upon written request of the Mortgagee, the Mortgagor will pay to the Mortgagee monthly installments, each of which shall be equal to one-twelfth (1/12th) of the sum of (a) the estimated annual premiums for all insurance policies required by Sections 8.01 and 8.02, and (b) the estimated annual taxes, assessments and governmental charges pertaining to the Property, to be held by the Mortgagee in an escrow account established with the Mortgagee (the "**Escrow Account**") and disbursed by the Mortgagee to pay insurance premiums as they become due and taxes, assessments and governmental charges before any penalty or interest shall accrue thereon. Estimates are to be made solely by the Mortgagee in its reasonable determination and payments shall be made on the day of the month designated by the Mortgagee. No interest shall be payable by the Mortgagee on the Escrow Account.

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unless, and then only to the extent that, applicable law shall otherwise require. All overpayments to the Escrow Account shall be applied to reduce future payments to the Escrow Account, if any, or shall be returned to the Mortgagor, at the sole discretion of the Mortgagee.

6.02.2 Upon the request of the Mortgagee, the Mortgagor shall pay such additional sums into the Escrow Account as the Mortgagee determines are necessary, so that one month prior to the date the Mortgagee is required to make payments of insurance premiums, or taxes, assessments or governmental charges, as the case may be, payments can be made therefor out of the Escrow Account.

6.02.3 The Mortgagor hereby grants the Mortgagee a security interest in the sums on deposit in the Escrow Account to secure the obligations secured hereby, and upon the occurrence of an Event of Default, the Mortgagee may, unless prohibited by applicable law, apply the balance of the Escrow Account to operate the Property or to satisfy the Mortgagor's obligations under the Loan Documents, as the Mortgagee may elect.

6.3 Compliance With Laws. The Mortgagor shall comply with all laws a breach of which would adversely affect (a) the financial condition of the Mortgagor, (b) the ability to use buildings and other improvements on the Land for the purposes for which they were designed or intended, (c) the value or status of the Property, or (d) the value or status of the Mortgagee's title to the Property.

6.4 Changes in Applicable Tax Laws. In the event (a) any law is hereafter enacted which imposes a tax upon the Loan, any of the Loan Documents, or the transactions evidenced or contemplated by any of the Loan Documents, or (b) any law now in force governing the taxation of mortgages, debts secured by mortgages, or the manner of collecting any such tax, shall be changed or modified, in any manner, so as to impose a tax upon the Loan, any of the Loan Documents, or the transactions evidenced or contemplated by any of the Loan Documents (including, without limitation, a requirement that revenue stamps be affixed to any or all of the Loan Documents), the Mortgagor will promptly pay any such tax. If the Mortgagor fails to make prompt payment, or if any law either prohibits the Mortgagor from making the payment or would penalize the Mortgagee if the Mortgagor makes the payment, then the failure, prohibition, or penalty, shall entitle the Mortgagee to declare the entire unpaid principal balance of the Loan, together with all accrued interest and any other amounts due, immediately due and payable; provided that if no Event of Default has occurred, the Mortgagor shall thereupon have thirty (30) days to pay the entire amount due without penalty. If an Event of Default has occurred and is continuing or if the Mortgagor fails to make payment in full within thirty (30) days, then the Mortgagee shall be entitled to exercise all rights hereunder as though an Event of Default had occurred.

6.5 Certifications, Licenses, Permits, Etc. The Mortgagor will obtain or cause to be obtained all certifications, licenses, permits and governmental approvals as may be necessary or required to complete the Project and operate the Retirement Community.

6.6 Sale of Assets, Consolidation, Merger, Etc. Except as may be otherwise expressly permitted by the Loan Agreement, the Mortgagor shall not (a) sell, lease, transfer or otherwise dispose of its properties and assets with a fair market value in excess of $50,000 to any person, (b) consolidate with or merge into any other entity, or permit another entity to merge into it, or acquire all or substantially all the properties or assets of any other person or entity, (c) enter into an arrangement, directly or indirectly, with any person whereby it or any of its subsidiaries or affiliates shall sell or transfer any property, real or personal, which is used and useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property for substantially the same purpose or purposes as the property being sold or transferred, or (d) cause or permit any change in its name, ownership of member interests in the Mortgagor, or management or in the manner in which its business is conducted.

6.7 Distributions, Etc. The Mortgagor will not pay any income, bonuses, profits, salaries or fees to any of its members or make any distribution of cash or property to any of its members or affiliates thereof (including other partnerships or limited liability companies in which any of its members own an interest) except as may be permitted in the Loan Agreement.

6.8 Primary Banking Relationship. The Mortgagor shall maintain its primary banking relationship with the Mortgagee.

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6.9 Further Assurances and Continuation Statements. The Mortgagor from time to time will execute, acknowledge, deliver and record, at the Mortgagor's sole cost and expense, all further instruments, deeds, conveyances, supplemental mortgages, assignments, financing statements, transfers and assurances as in the reasonable opinion of the Mortgagee's counsel may be necessary (a) to preserve, continue and protect the interest of the Mortgagee in the Property, or (b) to secure the rights and remedies of the Mortgagee under this Mortgage and the other Loan Documents. The Mortgagor, at the request of the Mortgagee, shall promptly execute any continuation statements required by the Uniform Commercial Code to maintain the lien on any portion of the Property subject to the Uniform Commercial Code.

6.10 Expenses. The Mortgagor shall reimburse the Mortgagee for any sums, including reasonable attorney's fees and expenses, incurred or expended by them (a) in connection with any action or proceeding to sustain the lien, security interest, priority, or validity of any Loan Documents, (b) to protect, enforce, interpret, or construe any of their rights under the Loan Documents, (c) for any title examination or title insurance policy relating to the title to the Property, or (d) for any other purpose contemplated by the Loan Documents. The Mortgagor shall, upon demand, pay all such sums together with interest thereon at the Default Interest Rate defined in the Note accruing from the time the expense is paid. All such sums so expended by the Mortgagee shall be secured by this Mortgage. In any action or proceeding to foreclose this Mortgage or to recover or collect the Loan, the provisions of law allowing the recovery of costs, disbursements, and allowances shall be in addition to the rights given by this Section 6.10.

6.11 Environmental Requirements. The Mortgagor represents and warrants to the Mortgagee that except for the matters disclosed in the Environmental Reports (as defined in the Loan Agreement), copies of which have previously been provided to the Mortgagee, there are no hazardous substances on the Real Property, that the Mortgagor has not utilized the Real Property, nor any part thereof, to treat, deposit, store, dispose of, or place any hazardous substances, as defined by 42 U.S.C.A. Section 9601(14) ("**Hazardous Substances**"); nor has the Mortgagor authorized any other person or entity to treat, deposit, store, dispose of, or place any Hazardous Substance on the Real Property, or any part thereof, and to the actual knowledge of the Mortgagor, and except as disclosed in the Environmental Reports, no other person or entity has treated, deposited, stored, disposed of, or placed any Hazardous Substance on the Real Property or any part thereof, except for paint and similar substances *normally used in connection with the proper construction of the Improvements and or the maintenance and operation* of the existing facilities on the Land, in quantities not exceeding those normally kept on hand at similar facilities, all of which are stored, used and disposed of in compliance with all applicable legal and Environmental Requirements. The Mortgagor further covenants and agrees to give written notice to the Mortgagee immediately upon acquiring knowledge of the existence of any condition relating to the Property which constitutes a material threat to the health, safety or property of the Mortgagor or others.

The Mortgagor hereby covenants and agrees that, if at any time it is determined that there are Environmental Materials (hereinafter defined) located on the Real Property, the Mortgagor shall promptly take or cause to be taken, at its sole expense, such actions as may be necessary to comply with all Environmental Requirements. The term "**Environmental Materials**" means any materials which: (i) under any Environmental Requirements require special handling in collection, storage, treatment or disposal, (ii) are defined as hazardous material, hazardous substances or hazardous waste under the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et. seq.), the Comprehensive Environmental Response Compensation and Liability of Act of 1980 (42 U.S.C. Section 9601 et seq.) ("**CERCLA**") or any similar federal law or laws of the state in which the Property is located, or (iii) are oil, petroleum products and their by-products. If the Mortgagor shall fail to take such action, the Mortgagee may make advances or payments towards performance or satisfaction of the same but shall be under no obligation to do so; and all sums so advanced or paid, including all sums advanced or paid in connection with any judicial or administrative investigation or proceeding relating thereto, including, without limitation, reasonable attorneys' fees, fines, or other penalty payments, shall be at once repayable by the Mortgagor and shall bear interest at the Default Interest Rate defined in the Note or at the maximum interest rate which the Mortgagor may by law pay, whichever is lower, from the date the same shall become due and payable until the date paid, and all sums so advanced or paid, with interest as aforesaid, shall become a part of the indebtedness secured hereby. The Mortgagor further covenants and agrees that the Mortgagor shall, and shall cause others to, carry on the business and operations on the Real Property so as to comply and remain in compliance with all Environmental Requirements.

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The Mortgagor shall defend, indemnify and hold harmless the Mortgagee against any loss, cost or expense (including, without limitation, cleanup costs, and reasonable attorneys' fees) incurred by the Mortgagee resulting from the presence on the Property at any time of any Environmental Materials. This indemnity shall apply notwithstanding any negligent or other contributory conduct by or on the part of any third parties and shall survive: (i) repayment of the Loan and the full release of the lien of this Mortgage; (ii) the extinguishment of the lien by foreclosure, power of sale, or any other action; or (iii) the delivery of a deed in lieu of foreclosure.

SECTION 7. RIGHTS AND DUTIES OF GRANTOR WITH RESPECT TO MANAGEMENT AND USE OF THE PROPERTY

7.1 Control by the Mortgagor. Until the happening of an Event of Default, the Mortgagor shall have the right to possess and enjoy the Property and, except as prohibited by the Loan Documents, to receive the Rents.

7.2 Management. At all times the Mortgagor shall provide competent and responsible management to maintain and operate the Property.

7.3 Financial Statements; Books and Records. The Mortgagor shall furnish to the Mortgagee annual financial and operating statements of the Property. Such statements shall show all items of income and expense for the operation of the Property, shall be certified by the Chief Financial Officer of the Mortgagor and shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis. All such financial and operating statements shall be supplied in draft form not later than ninety (90) days after the close of Mortgagor's fiscal year prepared by a certified public accountant and in final form not later than one hundred twenty (120) days after the close of the Mortgagor's fiscal year audited by a firm of independent certified public accountants acceptable to the Mortgagee. The Mortgagor shall also provide the Mortgagee with copies of all federal, state and local tax returns and filings within ten (10) days of the date the same are filed. The Mortgagor shall deliver, and shall cause Lessee to deliver, to Mortgagee monthly financial statements on a consolidated and consolidating basis within thirty days after each calendar month, certified by the Chief Financial Officer of the Mortgagor as to the accuracy thereof. The Mortgagor agrees to make its books and records relating to the operation of the Property available for inspection by the Mortgagee, upon request at any reasonable time, at the Mortgagor's principal place of business or at such other location in the State of Maryland as the Mortgagee may reasonably request. This paragraph shall be in addition to any other financial reporting provisions set forth in the Loan Documents.

7.4 Restriction of Assignment of Rents. The Mortgagor shall not assign the Rents arising from the Property or any part thereof or any interest therein without the prior written consent of the Mortgagee, except as permitted by the Loan Agreement. Any attempted assignment, pledge, hypothecation, or grant without such consent shall be null and void.

7.5 Alterations and Improvements. The Mortgagor shall not make any structural alterations or improvements on the Property except in accordance with approved plans and specifications submitted to and approved by the Mortgagee, as provided in the Loan Agreement. All alterations or improvements shall be erected (a) in a good and workmanlike manner strictly in accordance with all applicable law, (b) entirely on the Land (c) without encroaching upon any easement, right of way, or land of others, (d) so as not to violate any applicable use, height, set-back or other applicable restriction, and (e) without permitting any mechanic's lien to attach to the Property which is not being contested as permitted in Section 7.10. All alterations, additions, and improvements to the Property shall automatically be a part of the Property and shall be subject to this Mortgage.

7.6 Restrictions on Sale and Transfer of the Property. The Mortgagor shall not permit the Property, or any part or portion thereof or any interest therein, to be transferred (whether by voluntary or involuntary conveyance, merger, operation of law, or otherwise), other than as may expressly be permitted under the provisions of this Mortgage or the Loan Agreement, without the prior written consent of the Mortgagee. Any transferee of the Property or any part or portion thereof in fee simple, by virtue of its acceptance of the transfer, shall (without in any way affecting the Mortgagor's liability under the Loan Documents) be conclusively deemed to have agreed to assume primary liability for the performance of the Mortgagor's obligations under the Loan Documents. The sale, assignment, transfer or conveyance of any member interest in the Mortgagor shall be deemed a sale, assignment, transfer and conveyance of the Property in contravention of the provisions of this paragraph, and the sale,

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assignment, transfer or conveyance of member or other interest of any kind in any of the members of the Mortgagor shall be deemed a sale, assignment, transfer and conveyance of the Property in contravention of the provisions of this paragraph. This section shall not apply to any condemnation, any disposition permitted by Section 7.09 or any disposition by the Mortgagee by foreclosure hereunder or as otherwise permitted by the Loan Documents.

7.7 Restriction on Encumbrances. The Mortgagor shall not allow any Encumbrances on the Property except the Permitted Encumbrances. The Mortgagor shall give the Mortgagee prompt notice of any default in or under any Permitted Encumbrances and any notice of foreclosure or threat of foreclosure. The Mortgagor shall comply with its obligations under all Permitted Encumbrances. The Mortgagee may, at its election, satisfy any Encumbrance (other than a Permitted Encumbrance not then in default), and the Mortgagor shall, on demand, reimburse the Mortgagee for any sums advanced for such satisfaction together with interest at the Default Interest Rate stated in the Note accruing from the date of satisfaction, which sums shall be secured hereby.

7.8 Maintenance, Waste, Repair and Inspection. The Mortgagor shall: (a) keep and maintain the Property in good order, condition, and repair and make, in a prompt manner, all equipment replacements and repairs necessary to insure that the security for the Loan is not impaired; (b) not commit or suffer any waste of the Property; (c) promptly protect and conserve any portion of the Property remaining after any damage to, or partial destruction of, the Property; (d) promptly repair, restore, replace or rebuild any portion of the Property which is damaged or destroyed; (e) promptly restore the balance of the Property remaining after any condemnation; (f) permit the Mortgagee or its designee to inspect the Property at all reasonable times; and (g) not make any material change in the grade of the Property or permit any material excavation of or on the Property, except as required for utility easements and in connection with improvements contemplated in the Loan Agreement.

7.9 Removal and Replacement of Equipment and Improvements. Except for actions taken in connection with the preparation of the Property for the construction of the Improvements, no part of the Property, except supplies consumed or raw materials, work in progress and finished goods sold or transferred in the ordinary course of business operations as they are currently conducted, shall be removed from the Land, demolished, or materially altered without the prior written consent of the Mortgagee. The Mortgagor may, without consent and free from the lien and security interest of this Mortgage, remove and dispose of any worn out or obsolete fixtures or equipment which are a part of the Property, provided that prior to or simultaneously with their removal, such fixtures and equipment shall be replaced with fixtures or equipment of equal or greater value. The replacement fixtures or equipment shall be free of all Encumbrances, shall automatically be subject to the lien and security interest of this Mortgage, and shall automatically be subject to the granting clauses hereof. Upon the sale of any removed fixtures and equipment which are not replaced, the proceeds shall, at the election of the Mortgagee, be applied as a prepayment of amounts guaranteed by the Mortgagor under the Loan Documents, whether then due or not. All sales shall be conducted in a commercially reasonable manner.

7.10 Taxes and Permitted Contests. The Mortgagor shall pay: (a) all taxes, assessments and other governmental charges on or before the date any interest or penalty begins to accrue or attach thereto, and (b) all lawful claims which, if unpaid, might become a lien or charge upon the Property; provided, however, that the Mortgagor shall not be required to pay any taxes or claim the amount, validity or payment of which is being contested, in good faith, by appropriate legal proceedings, and so long as, in the sole opinion of the Mortgagee, no part of the Property is in danger of being sold, forfeited or lost and the contest is not impairing the security for the Loan. Upon payment thereof, the Mortgagor shall promptly supply the Mortgagee with receipts showing the payment of the taxes or claim.

7.11 Restrictive Covenants, Zoning, etc. No restrictive covenant, zoning change, or other restriction affecting the Property may be entered into, requested by or consented to by the Mortgagor without the prior written consent of the Mortgagee, which consent shall not be unreasonably withheld.

7.12 Preservation of Appurtenances. The Mortgagor will do all things necessary to preserve intact and unimpaired, all easements, appurtenances, and other interests and rights in favor of, or constituting any portion of, the Property.

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SECTION 8. INSURANCE AND CONDEMNATION

8.1 Builder's Risk and Casualty Insurance. At all times that any amounts are guaranteed or owing by the Mortgagor under the Loan Documents, the Mortgagor shall keep the Property insured for the benefit of the Mortgagor, the Mortgagee and the Mortgagee against loss or damage by either standard builder's risk insurance or all-risk peril insurance, as the Mortgagee may require from time to time. Such insurance shall be written in amounts equal to the greater of the total amount due and owing by the Mortgagor to the Mortgagee under the Loan Documents, one hundred percent (100%) of the replacement value of the Property (excluding land), or such other amount as may be approved by the Mortgagee. Such insurance shall be written in forms and by companies satisfactory to the Mortgagee, and the losses thereunder shall be payable to the Mortgagee alone and not to the Mortgagor and the Mortgagee or the Mortgagee, jointly. The policy or policies of such insurance shall, if requested by the Mortgagee, be delivered to and retained by the Mortgagee, and shall contain a standard New York Mortgagee Clause showing the loss, if any, as payable to the Mortgagee and shall require the insurer to give the Mortgagee and the Mortgagee at least thirty (30) days' prior notice of its cancellation or nonrenewal of the policy or policies. The Mortgagor shall provide the Mortgagee with receipt evidencing the payment of all premiums due on such policies. The Mortgagor shall give the Mortgagee prompt notice of any loss covered by such insurance, and the Mortgagee or the Mortgagee shall have the right (subject to the approval of the Mortgagor, so long as no Event of Default has occurred) to adjust any loss covered by an insurance policy. All monies received as payment for a loss covered by an insurance policy ("Insurance Proceeds") shall be paid over to the Mortgagee to be applied, at the option of the Mortgagee, either to the prepayment of the indebtedness secured by the Mortgage or to the payment of other charges or expenses actually incurred by the Mortgagor in the restoration, reconstruction, repair, renovation or replacement of the Property.

8.2 Liability Insurance. The Mortgagor will at all times keep itself insured against liability for damages arising from any accident or casualty in or upon the Property by maintaining comprehensive general public liability insurance, the minimum limits of which shall be One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) in the aggregate, with a minimum Ten Million Dollars ($10,000,000) in excess liability (umbrella form) coverage per occurrence and in the aggregate.

8.3 Contractors' Insurance. During the construction of the improvements, the Mortgagor will cause all contractors and subcontractors (including the Mortgagor if applicable) to obtain and keep in effect (or secure coverage itself) a contractors' liability insurance policy or policies in builders' all risk form, with loss payable endorsements acceptable to the Mortgagee, insuring the Improvements described in the Loan Agreement and all materials and supplies purchased with advances of the Loan, together with a policy or policies for Workers' Compensation Insurance to the full extent required by the laws of the State of Michigan. Upon request, the Mortgagor shall provide the Mortgagee with evidence satisfactory to the Mortgagee that all such insurance is in effect.

8.4 Other Insurance. The Mortgagor may not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under the above paragraph unless the Mortgagee is included thereon as a named insured with losses payable to the Mortgagee as above provided. The Mortgagor shall immediately notify the Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to the Mortgagee the policy or policies of such insurance.

If any of the Improvements on the Property are located in an area which has been identified as a non-minimal flood hazard area, the Mortgagor will keep the Property covered by flood insurance in an amount at least equal to the full amount secured by this Mortgage or the maximum limit of coverage available for the Property.

Unless a written waiver from the Mortgagee is obtained, the Mortgagor shall (a) keep all of its insurable properties insured against all risks usually insured against by persons operating like properties in the localities where the properties are located, and (b) maintain public liability insurance against claims for personal injury, death or property damage suffered by others upon or in or about any premises occupied by it or occurring as a result of its maintenance or operation of any automobiles, trucks or other vehicles or airplanes or other facilities or as a result of the use of products sold by it or services rendered by it.

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8.5 Condemnation and Allocation of Condemnation Awards. The Mortgagor, immediately upon obtaining knowledge of the institution of any proceeding for a condemnation, will notify the Mortgagee of such proceedings. The Mortgagee may participate in any such proceedings, and the Mortgagor will, from time to time, deliver to the Mortgagee all instruments requested by them to permit such participation. Any award or payment made as a result of any taking shall be paid to the Mortgagee, to be applied (a) if funds sufficient to restore the remainder of the Property are available from such award or payment (together with other funds supplied or caused to be supplied by the Mortgagor) and no Event of Default is then outstanding, to the restoration of the remainder of the Property, or (b) if sufficient funds are not available to restore the remainder of the Property, or an Event of Default is then outstanding, to prepayment of amounts guaranteed by the Mortgagor under the Loan Documents, whether then due or not. All moneys not utilized for the repair or restoration of the remainder of the Property shall be applied as a prepayment of amounts guaranteed by the Mortgagor under the Loan Documents, whether then due or not, in inverse order of maturity. The application of any award or payment as a prepayment of amounts due under the Note shall take effect only on the actual date of the receipt of the payment or award by the Mortgagee. In the event any payment or award is used to restore the Property, as aforesaid, the Mortgagee shall not be obligated to see to the proper allocation thereof, nor shall any amount so used be deemed a payment of any indebtedness secured by this Mortgage. Payments or awards to be used for restoration purposes, as aforesaid, shall be held by the Mortgagee and disbursed under such terms and conditions, to such persons, and at such times, as the Mortgagee may determine.

SECTION 9 DEFAULT

9.1 Event of Default. The occurrence of any of the following shall constitute an Event of Default:

9.01.1 Event of Default Under Other Loan Documents. An "Event of Default" (if so defined) occurs under a Loan Document other than this Mortgage.

9.01.2 Insurance Provisions. The failure of the Mortgagor to perform its obligations set forth in Section 8 to keep the Property adequately and continually insured.

9.01.3 Receiver, Bankruptcy. If the Mortgagor (a) applies for, or consents in writing to, the appointment of a receiver, trustee, or liquidator for it or the Property or of all or substantially all of its assets, (b) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they become due, (c) makes an assignment for benefit of creditors, (d) files a petition or an answer seeking a reorganization, composition, adjustment arrangement with creditors, or takes advantage of any insolvency law, (e) files an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization, composition, adjustment, arrangement, or insolvency proceeding, or (f) is dissolved as a result of an adversary suit or proceeding.

9.01.4 Receiver, Bankruptcy (Involuntary). If (a) any execution or attachment levied against the assets of the Mortgagor is not set aside, discharged, or stayed within forty-five (45) days, (b) an order, judgment, or decree is entered by any court of competent jurisdiction or, the application of a creditor, adjudicating the Mortgagor a bankrupt or insolvent, or appointing a receiver, trustee, or liquidator for the Mortgagor of all or substantially all of its assets, or (c) an order of relief is entered against the Mortgagor pursuant to any bankruptcy statute or law and such order, judgment, or decree continues unstayed and in effect for a period of forty-five (45) days.

9.01.5 Assignment of Rents. Any attempted assignment by the Mortgagor of the whole or any part of the Rents in contravention of Section 7.04.

9.01.6 Prohibited Transfer or Encumbrance. Any transfer or event in violation of Sections 7.05, 7.06, 7.07 or 7.09.

9.01.7 Loss of License. The loss of any material license or permit necessary for the improvement, operation, occupancy, or use of the Property (whether such license or permit is issued to the Mortgagor or to another entity responsible for the operation of the Retirement Community).

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9.01.8 Defaults under Subordinate Liens Any default by the Mortgagor under any documents executed in connection with any subordinate liens (including any such liens in favor of the Mortgagee) against the Property, which default is not cured within any applicable grace or cure period.

9.01.9 Environmental Requirements. Failure of the Mortgagor to comply with all Environmental Requirements which is not cured within thirty (30) days after notice from the Mortgagee.

9.01.10 Other Defaults. The failure of the Mortgagor to perform or observe any of its obligations or covenants under this Mortgage not previously specifically referred to in this Article 8, which failure continues for a period of thirty (30) days after written notice to the Mortgagor; provided, however, that the Mortgagee may, in its sole discretion, extend the cure period for any default upon the reasonable request of the Mortgagor in the event that the default cannot be cured within the time set forth in this Mortgage and the Mortgagor is diligently pursuing cure of the default

9.01.11 Environmental Liens If the Environmental Protection Agency of the United States ("EPA"), or any other state or federal agency or any other person or entity asserts or creates a lien upon any or all of the Property by reason of the failure of the Mortgagor to comply with all Environmental Requirements or asserts a claim against the Mortgagor, the Property, or the Mortgagee for damages or cleanup costs related to the Mortgagor's failure to comply with all Environmental Requirements.

9.2 Payment or Performance by Mortgagee Upon the occurrence of any Event of Default, the Mortgagee may, at its option, make any payments or take any other actions it deems necessary or desirable to cure the Event of Default or conserve the Property. The Mortgagor shall, upon demand, reimburse the Mortgagee for all sums so advanced or expenses incurred by the Mortgagee, together with interest at the Default Interest Rate stated in the Note from the date of advance or payment of the same, which sums shall be secured by this Mortgage. The Mortgagee may enter upon the Property without prior notice to the Mortgagor or judicial process and may take any action to enforce its rights under this Section 9.02 without liability to the Mortgagor.

9.3 Completion of Improvements Upon the occurrence of an Event of Default, the Mortgagor agrees that the Mortgagee may, in addition to any other remedies available to it and in its sole discretion, (i) enter upon the Land and complete the Project in accordance with the Plans and Specifications with such changes therein as the Mortgagee may deem appropriate, and employ watchmen to protect the Property, (ii) at any time discontinue any work commenced in respect of the Project, (iii) assume any or all contracts covered by any other contracts made by the Mortgagor relating to the construction or equipping of the Retirement Community and take over and use all or any part of the labor, materials, supplies and equipment contracted for by the Mortgagor, (iv) engage builders, contractors, and others for the purpose of furnishing labor, materials and equipment in connection with the Project, and (v) pay, settle or compromise all bills or claims that may become liens against the Property. The Mortgagor shall be liable to the Mortgagee for all sums paid or incurred by the Mortgagee to construct and equip the Project whether the same shall be paid or incurred pursuant to the provisions of this Section 9.03 or otherwise (such liabilities to be part of the Mortgagor's obligations), and all payments made or liabilities incurred by the Mortgagee hereunder of any kind whatsoever shall be paid by the Mortgagor to the Mortgagee upon demand with interest at the Default Interest Rate provided in the Note. For the purpose of exercising the rights granted by this Section, the Mortgagor hereby irrevocably constitutes and appoints the Mortgagee its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of the Mortgagor.

9.4 Possession by Mortgagee Upon the occurrence of an Event of Default, the Mortgagee may enter upon and take possession of the Property with notice to the Mortgagor, but without judicial process or the appointment of a receiver. The Mortgagee may exclude all persons from the Property and may proceed to operate the Property and receive all Rents. The Mortgagee shall have the right as agent for the Mortgagor to operate the Property and carry on the business of the Mortgagor, either in the name of the Mortgagor or otherwise. The Mortgagee shall not be liable to the Mortgagor for taking possession of the Property, as aforesaid, nor shall the Mortgagee be required to make repairs or replacements, and the Mortgagee shall be liable to account only for Rents actually received by the Mortgagee. All Rents collected by the Mortgagee shall be applied (a) first, to pay all expenses incurred in taking possession of the Property, (b) second, to pay costs and expenses to operate the Property and or to comply with the terms of the Loan Documents, including actual attorney's fees, (c) third, to pay all sums

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secured by the Loan Documents in the order of priority selected by the Mortgagee, and (d) fourth, with the balance, if any, to the Mortgagor or such other person as may be entitled thereto.

9.5 Collection of Rents. Upon the occurrence of an Event of Default and upon written demand by the Mortgagee to the Tenants, all Rents shall be payable directly to the Mortgagee.

9.6 Acceleration; Judgment; Foreclosure. At any time during the existence of an Event of Default, the Mortgagee, at the Mortgagee's option, may declare the Loan to be immediately due and payable without further demand, and may recover judgment against the Mortgagor for all amounts owing in connection with the Loan (but neither the recovery of judgment nor the levy of execution on the Property shall affect the Mortgagee's rights hereunder or the lien hereof), may foreclose this Mortgage by judicial proceeding or by advertisement, at the option of the Mortgagee, pursuant to applicable statutes, and execute on any judgment obtained in connection with the Loan through a sheriff's sale of the Property, and may invoke any other remedies permitted by Michigan law or provided in this Mortgage or in any other Loan Document, including, without limitation, the sale of the Property, in a foreclosure proceeding or by public sale, or through a sheriff's sale, in one or several parcels, at the Mortgagee 's option and without obligation to have the Property marshalled. The Mortgagee shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including attorneys' fees permitted under applicable law, costs of documentary evidence, abstracts and title reports

9.7 Application and Proceeds of Sale. Upon a sale under Section 9.06, the purchaser shall receive that portion of or interest in the Property purchased by it free from any claims of the Mortgagor and without any liability to see to the application of the purchase money. The net proceeds from the sale, after deduction of all costs of the sale, shall be applied, unless otherwise required under Michigan law, (a) first, to pay all expenses incurred in taking possession of the Property, (b) second, to pay costs and expenses to operate the Property, including attorney's fees, (c) third, to pay all sums guaranteed by or due from the Mortgagor under the Loan Documents, whether then due or not, in the order of priority determined by the Mortgagee, and (d) fourth, the balance, if any, to the Mortgagor or to other persons entitled thereto.

9.8 Insurance or Condemnation After Deficiency. If the Property is sold in a foreclosure proceeding under Section 9.06 prior to receipt of a condemnation award or payment, the Mortgagee shall receive and apply the proceeds of the award or payment toward the satisfaction of any deficiency resulting from the sale, whether or not a deficiency judgment is sought, recovered, or denied

9.9 Right of the Mortgagee to Bid. The Mortgagee may bid and become the purchaser at a foreclosure sale under this Mortgage

9.10 Bond. The Mortgagor waives any right to require the person authorized to make the sale hereunder to post a bond

9.11 Appointment of a Receiver

(a) Upon the occurrence of an Event of Default, the Mortgagee shall be entitled to the immediate appointment of a receiver for the Property, without regard to the value of the Property or the solvency of any person liable for payment of the amounts due under the Loan Documents. Upon obtaining possession of the Property or upon the appointment of a receiver, the Mortgagee or the receiver, as the case may be, may, at its sole option, (a) make all necessary or proper repairs and additions to or upon the Property, (b) operate, maintain, control, make secure and preserve the Property, (c) receive all Rents, and (d) complete the construction of any unfinished improvements on the Property and, in connection therewith, continue any and all outstanding contracts for the erection and completion of such Improvements and make and enter into any further contracts which may be necessary, either in their or its own name or in the name of the Mortgagor (the cost of completing the Improvements shall be expenses secured by this Mortgage and accrue interest as set forth herein). In so doing, the Mortgagee or such receiver shall have the right to manage the Property and to carry on the business of the Mortgagor and may exercise all of the rights and powers of the Mortgagor, either in the name of the Mortgagor, or otherwise, including, but without limiting the generality of the foregoing, the right to lease the Property, to cancel, modify, renew or extend any Lease or sublease of the Property and to carry on any contracts entered into by the Mortgagor with respect to the Property. The Mortgagee or such receiver shall be under no liability for, or by reason of, any such

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taking of possession, entry, holding, removal, maintaining, operation or management, except for gross negligence or willful misconduct. The Mortgagor shall pay on demand to the Mortgagee or the receiver (as the case may be) the amount of any deficiency between (a) the Rents received by the Mortgagee or the receiver, and (b) all expenses incurred in taking possession of, and operating, the Property, together with interest thereon at the Default Interest Rate as provided in the Note. The exercise of the remedies provided in this Section shall not cure or waive any Event of Default and the enforcement of such remedies, once commenced, shall continue for so long as the Mortgagee shall elect, notwithstanding the fact that the exercise of such remedies may have, for a time, cured the original Event of Default.

(b) The failure of the Mortgagor to pay any taxes or assessments assessed against the Property, or any installment thereof, in each case prior to delinquency, or the failure to maintain in effect insurance covering the Property as required by this Mortgage or the other Loan Documents, shall constitute waste as provided by Act No. 236 of the Michigan Public Acts of 1961 as amended (MCLA §600.2927). The Mortgagor hereby consents to the appointment of a receiver under said statute, should the Mortgagee elect to seek such relief thereunder. The Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor or hearing thereon. Payment by the Mortgagee for or on behalf of the Mortgagor of any such delinquent payment shall not cure the default nor shall it impair the Mortgagee's right to the appointment of a receiver.

9.12 Remedies Cumulative. All rights, powers, and remedies of the Mortgagee provided for in the Loan Documents are cumulative and concurrent and shall be in addition to and not exclusive of any appropriate legal or equitable remedy provided by law or contract. Exercise of any right, power, or remedy shall not preclude the simultaneous or subsequent exercise of any other by the Mortgagee.

9.13 Consent to Jurisdiction and Venue. The Mortgagor consents to be sued in any jurisdiction where any of the Property is located.

9.14 Rights Under the Uniform Commercial Code. Upon the occurrence of an Event of Default, the Mortgagor shall assemble and make available to the Mortgagee those portions of the Property which consist of personal property at a place to be designated by the Mortgagee may exercise all the rights and remedies of a secured party under the Uniform Commercial Code. Any notices required by the Uniform Commercial Code shall be deemed reasonable if mailed certified mail, return receipt requested, postage prepaid, by the Mortgagee to the Mortgagor. Disposition of the Property shall be deemed commercially reasonable if made pursuant to a public offering advertised at least twice in a newspaper of general circulation in the County where the Property is located.

9.15 Waiver of Jury Trial. The Mortgagor hereby voluntarily and intentionally waives any right it may have to a trial by a jury in any action, proceeding or litigation directly or indirectly arising out of, under or in connection with the Loan, this Mortgage, or any of the other Loan Documents to which the Mortgagor is a party. This waiver applies to all claims against all parties to such actions and proceedings, including parties who are not parties to this Mortgage. This waiver is knowingly, intentionally, and voluntarily made by the Mortgagor who acknowledges that it has been represented in the execution of this Mortgage and in the making of this waiver by independent legal counsel, selected of its own free will, and that it has had the opportunity to discuss this waiver with counsel. The Mortgagor further acknowledges that it has read and understands the meaning and ramifications of this waiver provision.

9.16 Warning Waiver. WARNING - THIS INDENTURE CONTAINS A POWER OF SALE AND UPON EVENT OF DEFAULT MAY BE FORECLOSED BY ADVERTISEMENT. IN FORECLOSURE BY ADVERTISEMENT AND THE SALE OF THE PROPERTY IN CONNECTION THEREWITH, NO HEARING IS REQUIRED AND THE ONLY NOTICE REQUIRED IS THE PUBLICATION OF NOTICE IN A LOCAL NEWSPAPER AND THE POSTING OF A COPY OF THE NOTICE ON THE REAL PROPERTY.

WAIVER: THE MORTGAGOR HEREBY WAIVES ALL RIGHTS UNDER THE CONSTITUTION AND THE LAWS OF THE UNITED STATES AND UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MICHIGAN TO A HEARING PRIOR TO THE SALE IN CONNECTION WITH THE ABOVE-MENTIONED FORECLOSURE BY ADVERTISEMENT AND ALL NOTICE REQUIREMENTS EXCEPT AS SET FORTH IN THE MICHIGAN STATUTE PROVIDING FOR FORECLOSURE BY ADVERTISEMENT.

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SECTION 10. MISCELLANEOUS

10.1 Financing Sign on Property; Publicity: The Mortgagor authorizes the Mortgagee, at the Mortgagee's expense, to place signs on the Land at any locations selected by the Mortgagee and approved by the Mortgagor until completion of the Project, and to prepare and furnish news releases at any time to the news media or any other publications selected by the Mortgagee advertising the fact that financial assistance for the Project has been obtained from the Mortgagee.

10.2 Waivers. No term of any Loan Document shall be deemed waived unless the waiver shall be in writing and signed by the parties making the waiver. No failure by the Mortgagee to insist upon the Mortgagor's strict performance of any of the terms of the Loan Documents to which the Mortgagor is a party shall be deemed or construed as a waiver of those or any other terms. Any delay in exercising or enforcing any rights with respect to a Default or an Event of Default shall not bar the Mortgagee from exercising any rights under the Loan Documents, or at law or in equity.

10.3 Consents.

10.03.1 The Mortgagee may (a) release any person liable under the Loan Documents, (b) release any part of the security, (c) extend the time of payment of the Loan, and or (d) modify the terms of the Loan Documents, regardless of consideration and without notice to or consent by the holder of any subordinate lien on the Property. No release, extension or modification of the security held under the Loan Documents shall impair or affect the lien of this Mortgage or the priority of such lien over any subordinate lien.

10.03.2 Regardless of whether a person has been given notice or has given its prior consent, it shall not be relieved of any obligation under any Loan Documents by reason of (a) the failure of the Mortgagee or any other person to take any action, foreclose, or otherwise enforce any provision of the Loan Documents, (b) the release of any other person liable under any Loan Document, (c) the release of any portion of the security under the Loan Documents, or (d) any agreement or stipulation between any subsequent owners of the Property and the Mortgagee extending the time of payment or modifying the terms of any Loan Document.

10.4 Headings. All section headings are for convenience only and shall not be interpreted to enlarge or restrict the provisions of this Mortgage.

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

(a) If to the Mortgagee: Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21201
Attn: Bruce D. McLean, Senior Vice President

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

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202

(b) If to Mortgagor: Novi Campus, LLC
c o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: Chief Operating Officer

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

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

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

10.6 Binding Effect. No transfer of any portion of the Property or any interest thereon shall relieve any transferor of its obligations under the Loan Documents. No transferor of any obligation under any Loan Document shall be relieved of its obligations by any modification of any Loan Document subsequent to the transfer.

10.7 Amendment. This Mortgage may not be modified except in writing signed by (a) the Mortgagee and (b) the Mortgagor.

10.8 Severability. In the event any provision of this Mortgage shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

10.9 Notices from Governmental Authorities Affecting the Property. Any notice from any governmental or quasi-governmental authority or corporation with respect to the Property sent to or known by the Mortgagor shall be promptly transmitted to the Mortgagee.

10.10 Applicable Law. Except as provided to the contrary below, this Mortgage shall be governed by and construed in accordance with the internal laws of the State of Maryland applicable to contracts made and to be performed in such state (without regard to principles of conflicts of law applicable under Maryland law and applicable laws of the United States of America); provided, however, that with respect to the provisions hereof which relate to title or the creation, perfection, priority, enforcement or foreclosure of liens on and security interests in or assignments of any of the Property, or as otherwise required by the laws of Michigan, this Mortgage shall be governed by the laws of Michigan; it being understood that, to the fullest extent permitted by the laws of Michigan, the laws of the State of Maryland shall govern the validity and enforceability of this Mortgage in all instances where the law of Michigan is not specifically made the law applicable to this Mortgage.

10.11 Time of the Essence. Time is of the essence with respect to the Loan Documents.

10.12 Effect of Payments. Any payment or other performance made in accordance with the Loan Documents by any person other than the Mortgagor shall not entitle such person to any right of subrogation under the Loan Documents, unless expressly consented to in writing by the Mortgagee.

10.13 Word Forms. The use of any gender, tense, or conjugation herein shall be applicable to all genders, tenses and conjugations. The use of the singular shall include the plural and the plural shall include the singular.

10.14 Assignment of Rents. The Mortgagor, as additional security for the payment of the debt evidenced by the Note, together with interest thereon, insurance premiums, taxes and assessments, at the time and in the manner provided herein, and for the performance of the covenants and agreements contained herein and in the Note and in the Loan Documents, does hereby sell, assign, transfer and set over unto the Mortgagee (i) all of the rents, profits, income and other moneys, whether due or to become due, under all oral or written leases, licenses or other agreements for the use or occupancy of the Property, or any part thereof, in existence or coming into existence during the period this Mortgage is in effect, and (ii) all of the rights and benefits conferred by Act No. 210 of the

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Michigan Public Acts of 1953, as amended from time to time (MCLA §554.231, et seq.). This assignment of rents shall run with the land and be good and valid as against the Mortgagor herein, or those claiming by, through or under the Mortgagor, from the date of the recording of this Mortgage in Michigan, provided, however, that the Mortgagor may collect and retain such rents, profits and income so long as the Mortgagor is not in default hereunder. This assignment shall continue to be operative during the foreclosure or any other proceeding taken to enforce this Mortgage. In the event of a sale on foreclosure which shall result in deficiency, this assignment shall stand as security during the redemption period for the payment of such deficiency.

In the event of default by the Mortgagor under this Mortgage, the Note or the Loan Documents, the Mortgagor shall, upon demand therefor made by the Mortgagee, deliver and surrender possession of the Property to the Mortgagee, who shall thereafter collect the rents, profits and income therefrom, rent or lease said Property or any portion thereof upon such terms and for such time as it may deem best, terminate any tenancy and maintain proceedings to recover rents or possession of the Property from any tenant or trespasser, and apply the proceeds of such rent, profits and income actually collected, less all reasonable costs incurred in making such collection or in renting, leasing, operating or maintaining the Property, in such order of priority, proportion and upon such item or items as it may determine.

If the Mortgagor fails, refuses or neglects to deliver or surrender such possession, the Mortgagee shall be entitled to the appointment of a receiver of the Property and of the earnings, issues, rents, profits and income with such power as the Court making such appointment may confer. The collection by the Mortgagee of rents or other income from the Property shall in no way waive the right of the Mortgagee to foreclose this Mortgage in the event of default, and the Mortgagee shall be entitled to all of the rights and remedies accorded to a mortgagee by the statutes of the State of Michigan in effect from time to time.

10.15 Future Advances. This Mortgage secures future advances to be made periodically not to exceed at any one time outstanding the face amount of the Note. This Mortgage is a future advance mortgage under MCLA §565.901.

IN WITNESS WHEREOF the Mortgagor, by its duly authorized member, has executed and delivered this Mortgage under the Mortgagor's seal as of the date and year first written above.

WITNESSES

NOVI CAMPUS, LLC, a Maryland limited liability company

By Erickson Retirement Communities, LLC, Member

_____ (SEAL)
Andrew V. Aldi
Executive Vice President and Chief Operating Officer

_____
Print Name David N. Copas

_____
Print Name Elizabeth M. Edwards

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STATE OF MARYLAND :

: SS:

CITY OF BALTIMORE :

On the 12th day of Feb, 2002 before me personally came Andrew V. Aldi, to me known to be the person who executed the foregoing instrument, and who, being by me duly sworn, did depose and say that he is the Executive Vice President and Chief Operating Officer of Erickson Retirement Communities, LLC, a Maryland limited liability company which is a member of Novi Campus, LLC, a Maryland limited liability company; and that he executed the foregoing instrument in the name of Novi Campus, LLC, and that he had authority to sign the same, and acknowledged that he executed the same as the act and deed of Novi Campus, LLC.

Christine C. Furr
NOTARY PUBLIC

CHRISTINE C. FURR NOTARY PUBLIC HOWARD COUNTY, MD

My Commission Expires: _____

CHRISTINE C. FURR
Notary Public
Howard County, Maryland
My Commission Expires Nov. 15, 2005

EXHIBIT A

Legal Description

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589 96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

pt of 22-01-300-001-013

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

pt of 22-01-300-003-013

PARCEL 3:

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

pt of 22-01-300-007-013

PARCEL 4:

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

pt of 22-01-300-009-013

CERTIFICATE OF COPY OF RECORD
STATE OF MICHIGAN
COUNTY OF OAKLAND

I, Ruth Johnson, Register of Deeds for Oakland County, certify that I have compared the attached copy with the original record on file, and it is a true and correct transcript of the original record in Liber 43043 Page(s) 697-715
in testimony whereof, I have set my hand and affixed the seal of REGISTER OF DEEDS on 9-21-09.

By: Carolyne A Barnhart
DEPUTY CLERK Carolyne A. Barnhart

Per PA #53, effective 9-6-07

Bank Of America - CD#13 - Control ID#1133

ASSIGNMENT OF RENTS AND LEASES

NOVI CAMPUS, LLC,
a Maryland limited liability company
(Assignor)

to

MERCANTILE-SAFE DEPOSIT AND TRUST CORPORATION
a Maryland corporation
(Assignee)

Dated February 12, 2002

This instrument has been executed outside the State of Michigan

DRAFTED BY AND
WHEN RECORDED, RETURN TO:

BALLARD SPAHR ANDREWS & INGERSOLL, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202-3268
Attention: Christopher J. Fritz, Esquire

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Document: 1.11

ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT OF RENTS AND LEASES given as of the 12th day of February, 2002, by **NOVI CAMPUS, LLC**, a Maryland limited liability company (hereinafter referred to as "**Assignor**"), to **MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY**, a Maryland banking corporation (hereinafter referred to as "**Assignee**").

1. ASSIGNMENT

Assignor, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby transfer for and assign unto Assignee, its successors and assigns, all right, title and interest of Assignor in, to and under any and all leases executed by Assignor relating to or affecting the property located On Thirteen Mile Road, in the City of Novi, Oakland County, Michigan, and described in Exhibit A, attached hereto as a part hereof (hereinafter referred to as the "**Premises**"), or any part thereof, now existing or which may be executed at any time in the future prior to the expiration or termination of this Assignment, and all amendments, extensions and renewals thereof (hereinafter collectively referred to as the "**Leases**" or singularly as the "**Lease**") together with any and all guarantees of the obligations of the lessees under said Leases, (hereinafter such lessees are collectively referred to as the "**Lessees**" or singularly as the "**Lessee**"), and all rents, income and profits which may now or hereafter be or become due or owing under the Leases, or any of them, or on account of the use and/or occupancy of the Premises (collectively, "**Rents**") The rights assigned hereunder shall include all of the Assignor's right and power to modify any Lease, to terminate the term, to accept a surrender thereof, to waive or release the Lessee thereunder from the performance or observance by such Lessee of any obligations or conditions thereof, and to anticipate rents thereunder for more than one (1) month prior to accrual.

2. PURPOSES

2.01 Payment of Indebtedness. This Assignment is made for the purpose of securing the payment and performance of all of Assignor's obligations under a Revolving Loan Note of even date herewith (as amended, restated, or otherwise modified, the "**Note**") executed by the Assignor in connection with a certain loan (hereinafter, the "**Loan**") extended to Assignor by Assignee in the amount of Forty-Six Million Dollars ($46,000,000).

2.02 Other Sums. This Assignment also secures the payment and performance by Assignor of all other due obligations of Assignor in connection with the Note and the Mortgage (the "**Mortgage**") dated of even date herewith, and any obligation, existing or hereinafter created, owed by the Assignor to the Assignee.

2.03 Other Obligations. This Assignment further secures the performance and discharge of each and every obligation, covenant and agreement of Assignor contained herein or in the Note, or the Mortgage or any document executed in connection therewith.

3. COVENANTS AND WARRANTIES OF ASSIGNOR

3.01 Priority. Except for the assignments, if any, in favor of or approved in writing by Assignee, Assignor has not made or executed and will not make or execute any other assignment of any of the Leases, or the rents, income and profits accruing from the Premises. Assignor has not performed any acts or omitted to do any acts or execute any other instruments, and will not perform any acts or omit to do any acts, or execute any other instruments which will or might prevent Assignee from fully exercising Assignee's rights under any of the terms, covenants and conditions of this Assignment.

3.02 Existing Leases. All existing Leases (if any) are valid and enforceable in accordance with their terms. There are no material defaults now existing under any existing leases and no state of facts now exists which, with the giving of notice or the lapse of time, or both, would constitute a material default or event of default thereunder. No existing Leases have been altered, modified, amended, terminated or renewed, nor have any of the terms and conditions thereof been waived in any manner. No existing Leases will be hereafter altered, modified or amended in any material respect, or terminated or renewed, nor will any material term or condition thereof by the Lessee to be kept, observed or performed be waived, nor will the Lessee be released from the observance or performance of any duties or obligations thereunder, without the prior written approval of Assignee.

3.03 Subsequent Leases. All Leases hereafter entered into shall be in such form, with such Lessees, and under such terms and conditions as shall have been previously approved by Assignee. (Assignee shall promptly notify Assignor of approval, (which shall not be unreasonably withheld or disapproval of any particular Lease.) Following approval by Assignee, no such Lease will be altered, modified, or amended in any material respect (except as expressly contemplated therein), or terminated or renewed, nor will any material obligation thereunder of the Lessee be waived, nor will the Lessee be released from the observance and performance of any duties or obligations thereunder, without the prior written approval of Assignee.

3.04 Performance. Assignor will keep, observe and perform each and every condition and covenant imposed on Assignor under the Leases. Assignor will give prompt notice to Assignee of any material default under any Lease. Assignor, at its sole cost and expense, will enforce, short of termination, the performance or observance of each and every covenant and condition imposed on the Lessee under each Lease. Assignor, at its sole cost and expense, will appear in and defend any and all actions growing out of or in any manner related to, any of the Leases or the obligations, rights, or liabilities of Assignor or any of the Lessees thereunder.

3.05 Collection of Rents. Assignor has not collected or accepted payment of, and will not collect, or accept payment of, rent under any of the Leases for more than one (1) month in advance.

3.06 Further Assurances. Assignor will execute and deliver to the Assignee at the request of Assignee all such further assurances and assignments as Assignee shall from time to time require or deem necessary.

3.07 No Restraints. Assignor is not prohibited by or under any agreement with any other person or party, or under any judgment or decree, from the execution and delivery of this Assignment or from the performance of each and every covenant of Assignor hereunder.

3.08 No Litigation. No litigation or other action has been brought or threatened by or against Assignor or any person or party claiming by, through or under Assignor, which would interfere with the right of Assignor to execute this Assignment, or to perform any of all of Assignor's duties and obligations hereunder.

4. COLLECTION OF RENTS

4.01 Collection of Rents. So long as no Event of Default, as hereinafter defined, exists on the part of Assignor, the Assignor shall have the right to collect, but not more than one (1) month prior to accrual, all rents, issues and profits from the Premises and to retain, use and enjoy the same.

4.02 Release. Upon the payment and performance of all obligations of Assignor under the Note, this Assignment shall be and become null and void, of no further force or effect.

5. FURTHER COVENANTS, WARRANTIES AND AGREEMENTS

5.01 Event of Default. Each of the following shall constitute an "Event of Default" hereunder by Assignor:

(i) Assignor fails to keep, observe or perform any covenant, agreement or obligation of Assignor contained in this Assignment, which failure continues for a period of thirty (30) days after written notice to Assignor;

(ii) any representation or warranty of Assignor herein contained proves untrue or misleading in any material respect;

(iii) any default (including expiration of any applicable grace or cure period) or Event of Default occurs in or under the Note or the Mortgage or any other documents executed in connection therewith.

5.02 Remedies. If a default (which is not cured within any applicable grace or cure period) or an Event of Default occurs, Assignee may at Assignee's option, without notice to Assignor, do any one or more of the following:

(i) declare all amounts owed by the Assignor to the Assignee immediately due and payable as to Assignor, whether or not the same are then due or owing;

(ii) enter upon, take possession of, lease and operate the Premises, without becoming a mortgagee in possession; take possession of all personal property, fixtures, documents, books, records, papers and accounts of Assignor relating thereto, and exclude the Assignor, its agents and servants, therefrom;

(iii) perform any and all obligations of Assignor under any of the Leases, and exercise any and all rights of Assignor therein contained, as fully as Assignor could, without regard to the adequacy of security for the indebtedness hereby secured, with or without the bringing of any legal action or the causing of any receiver to be appointed by any court;

(iv) make, enforce, modify and accept the surrender of any Lease;

(v) retain and/or evict any Lessee, subject to rights of Lessee contained in the Mortgage or in any non-disturbance agreement executed by Assignee;

(vi) fix or modify rent with respect to all or any portion of the Premises;

(vii) sue for or otherwise collect and receive all rents, issues and profits with respect to all or any portion of the premises, and apply the same in the manner provided in Section 5.03 hereof; and

(viii) do all other acts which Assignee may deem necessary or proper to protect Assignee's security.

5.03 Power of Attorney. Assignor hereby appoints Assignee the true and lawful attorney-in-fact of Assignor, with full power of substitution, in Assignor's name and/or in Assignee's name, after an Event of Default hereunder, to sue for or make such settlement of claims, as Assignee may deem necessary or desirable, or otherwise demand, collect and receive, all rents, issues and profits emanating from or related to the Premises, or any part thereof, or any of the Leases, and to apply the same: first, to and against all costs and expenses of operation of the Premises (including, but not limited to, the payment of taxes, special assessments, insurance premiums, damage claims, and costs of maintaining, repairing, rebuilding and restoring the improvements on the Premises or of making the same rentable) of the performance of Assignor's obligations under the Leases, and of collection (including actual attorneys' fees) of such rents, issues and profits; second, to interest on, and then to the principal of, the indebtedness secured hereby; and third, to any other indebtedness or charge secured hereby or by the Mortgage. This power of attorney shall be deemed to be coupled with an interest, and shall be irrevocable. It is the intention of Assignor that

all persons and parties may rely upon this power of attorney, and continue to rely upon it, unless and until this Assignment has become null and void pursuant to Section 4.02 hereof.

5.04 Payment by Lessees to Assignee. The Lessees are authorized and directed upon written demand by Assignee to pay any and all amounts due to Assignor under or pursuant to the Leases to Assignee, or to such nominee as Assignee may designate in writing delivered to and received by such Lessees. The Lessees are hereby expressly relieved of any and all duty, liability or obligation to Assignor in respect of all payments so made.

5.05 Assignee Not Liable for Performance Under Leases. Assignee shall be under no obligation to exercise or prosecute any of the rights or claims assigned to Assignee hereunder, or to perform or carry out any of the obligations of Assignor under any of the Leases, and Assignee does not assume any liabilities in connection with or arising or growing out the covenants and agreements of Assignor in the Leases. This Assignment shall not operate to place responsibility for the control, care, management or repair of the Premises, or any part thereof, upon Assignee, nor shall it operate to make Assignee liable for the performance of any of the terms and conditions of any of the Leases, or for any waste of the Premises by the Lessees or by any other party, or for any dangerous or defective condition of the Premises, resulting in loss, injury or death of any of the Lessees, or to any other person or party.

5.06 Indemnity. Assignor hereby agrees to indemnify and hold Assignee harmless from any and all liability, loss, damage, cost or expense, including actual attorney's fees, which may be incurred by Assignee under any of the Leases, or by reason of this Assignment, and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligations or undertakings on Assignee's part to perform or discharge any of the terms, covenants or agreement contained in any of the Leases, other than any liability, loss, damage, claim or demand arising solely from willful misconduct of Assignee.

5.07 No Merger. The Assignor, without the prior written consent of the Assignee, will not cause or permit the leasehold estate under any Lease to merge with the Assignor's reversionary interest.

5.08 Rents in Michigan. With respect to Rents, Assignee shall be entitled to all the rights and benefits conferred by Act No. 210 of the Michigan Public Acts of 1953, as amended by Act No. 151 of the Michigan Public Acts of 1966 (MCLA § 554.231 et seq.), and Act No. 228 of the Michigan Public Acts of 1925, as amended by Act No. 55 of the Michigan Public Acts of 1933 (MCLA § 554.211 et seq.). All earnings, revenues, rents, issues, profits and income of the Premises or any part thereof are hereby assigned to Assignee and, in the case of the happening and continuation of an Event of Default hereunder or as defined in the Mortgage, Assignee shall be entitled to collect and receive all such earnings, revenues, rents, issues, profits and income personally or through a receiver as long as any such Event of Default shall exist and during the pendency of any foreclosure proceedings and during any redemption period, and the collection of such earnings, revenues, rents, issues, profits and income by Assignee shall in no way waive the right of Assignee to foreclose the Mortgage in the event of such an Event of Default. Assignor agrees to consent to a receiver if this is believed necessary or desirable to Assignee to enforce its right hereunder.

6. MISCELLANEOUS PROVISIONS

6.01 No Waiver. The entry upon and taking possession of the Premises by Assignee, the collection of rents and the application thereof, or the exercise of any other right or remedy by Assignee herein provided, shall not operate to cure or waive any default or Event of Default under any instrument made or given by Assignor to Assignee, or prohibit the taking of any other action by Assignee under any such instrument, or at law or in equity, to enforce payment of the indebtedness secured hereby, or to realize on or enforce any other security for such indebtedness.

6.02 Releases, etc. Assignee may take or release other security for the obligations secured hereby, release any party primarily or secondarily liable for any such obligations, grant extensions, renewals, or indulgences with respect to such obligations, and apply any other security therefor held by Assignee to the satisfaction of such obligations, without prejudice to any of Assignee's rights hereunder.

6.03 Performance by Assignee. Should Assignor fail to perform or observe any covenant or to comply with any condition contained in any of the Leases, then Assignee (without obligation so to do and without notice to or demand on Assignor or releasing Assignor from Assignor's obligation so to do) may perform such covenant or condition and, to the extent that Assignee shall incur any costs or expenses in connection therewith (including any costs or expenses of litigation), then such costs, expenses or payments shall be included in the indebtedness secured hereby and shall bear interest from the date thereof at the Default Interest Rate under the Note.

6.04 Waiver by Assignee. Neither acquiescence by Assignee, nor failure of Assignee to insist upon strict performance by Assignor of any condition, obligation, warranty or agreement in this Assignment, shall constitute a waiver of such default or any subsequent or other default, nor, in the event Assignor is unable to cure such default, shall any such acquiescence or failure preclude Assignee from therefor declaring such default to be an Event of Default as herein provided. Any waiver by Assignee of any condition, obligation, warranty or agreement herein contained shall be effective only if evidenced in a written instrument signed by Assignee and delivered to Assignor.

6.05 Rights Cumulative. The rights and remedies of Assignee under this Assignment are cumulative and are not in lieu of, but are in addition to all other rights or remedies which Assignee shall have under the Loan Agreement and other Loan Documents, and in law or equity, all of which rights and remedies may be exercised concurrently.

6.06 Severability. If any term of this Assignment, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Assignment, or the application of such term to persons or circumstances other than those as to which such term is invalid or unenforceable, shall not be affected thereby, and each term of this Assignment shall be valid and enforceable to the fullest extent permitted by law.

6.07 Notices. All notices to be given pursuant to this Assignment shall be in writing and shall be deemed to have been sufficiently given or served if presented or made in the manner provided in the Mortgage executed in connection herewith.

6.08 Word Meanings. The terms "Assignor" and "Assignee" shall be construed to include the heirs, executors, legal representatives, administrators, successors and assigns thereof. The term and expression "indebtedness secured hereby" shall mean and include each and every indebtedness referred to in Article 2 and in Section 6.03 hereof.

6.09 Amendments. This Assignment contains the entire agreement by the parties with respect to the subject matter hereof and may not be amended, modified or changed except by an instrument in writing, signed by the party against whom enforcement of any such waiver, amendment, change, modification or discharge is sought and delivered to the other party.

6.10. Captions. The captions herein are for reference purposes only.

6.11. Time. Time is of the essence of this Assignment.

6.12. Governing Law. Except as provided to the contrary below, this Assignment shall be governed by and construed in accordance with the internal laws of the State of Maryland applicable to contracts made and to be performed in such state (without regard to principles of conflicts of law applicable under Maryland law and applicable laws of the United States of America); provided, however, that with respect to the provisions hereof which relate to title or the creation, perfection, priority, enforcement or foreclosure of liens on and security interests in or assignments of any of the Property, or as otherwise required by the laws of Michigan, this Assignment shall be governed by the laws of Michigan; it being understood that, to the fullest extent permitted by the laws of Michigan, the laws of the State of Maryland shall govern the validity and enforceability of this Mortgage in all instances where the law of Michigan is not specifically made the law applicable to this Assignment.

IN WITNESS WHEREOF, Assignor has caused this Assignment of Rents and Leases to be signed and sealed as of the date first above written.

WITNESS:

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC,
Member

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and
Chief Operating Officer

_____
Print Name:

_____
Print Name:

STATE OF MARYLAND :

: SS:

CITY OF BALTIMORE :

On the 12th day of February, 2002 before me personally came Andrew V. Aldi, to me known to be the person who executed the foregoing instrument, and who, being by me duly sworn, did depose and say that he is the Executive Vice President and Chief Operating Officer of Erickson Retirement Communities, LLC, a Maryland limited liability company which is a member of NOVI Campus, LLC, a Maryland limited liability company; and that he executed the foregoing instrument in the name of NOVI Campus, LLC, and that he had authority to sign the same, and acknowledged that he executed the same as the act and deed of NOVI Campus, LLC.

Christine C Furr
NOTARY PUBLIC

CHRISTINE C. FURR NOTARY PUBLIC HOWARD COUNTY, MD.

My Commission Expires: Nov. 15, 2005

EXHIBIT A

Legal Description

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3:

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

PARCEL 4:

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

ALSO DESCRIBED AS:

Part of the West ½ of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Commencing at the Southwest Corner of Section 1, Town 1 North, Range 8 East; thence along the West Line of Section 1, North 03°28'39" West 60.01 feet to the POINT OF BEGINNING; thence continuing along the West Line of Section 1, North 03°28'39" West 2590.40 feet to the West ¼ Corner of Section 1, Town 1 North, Range 8 East; thence along the West Line of Section 1 and along the boundary of "The Maples of Novi, Maple Hills", Oakland County Condominium Plat No. 627, North 02°28'35" West 649.69 feet; thence continuing along the boundary of "The Maples of Novi, Maple Hills" the following two (2) courses: one (1) North 87°21'41" East 682.69 feet and two (2) North 03°11'10" West 2.24 feet; thence along the south boundary of "Haverhill Farms", Oakland County Condominium Plat No. 912, North 87°19'27" East 693.69 feet; thence South 03°16'01" East 3236.69 feet to a point 70.00 feet North of the South Line of Section 1, thence along the North Line of Thirteen Mile Road the following five (5) courses: one (1) South 87°31'40" West 25.33 feet, two (2) South 02°28'20" East 15.00 feet, three (3) South 87°31'40" West 300.00 feet, four (4) North 02°28'20" West 5.00 feet, and five (5) South 87°31'40" West 1050.40 feet to the POINT OF BEGINNING. Contains 102.817 Acres.

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LIBER26112PAGE858

304062
LIBER 26112 PAGE 858
$23.00 MISC RECORDING
$2.00 REMONUMENTATION
07/18/2002 10:20:14 A.M. RECEIPT# 58997
PAID RECORDED - OAKLAND COUNTY
G.WILLIAM CADDELL, CLERK/REGISTER OF DEEDS

RECEIVED
JUL 15 2002
G.W. Caddell Register of Deeds
Oakland County, MI

ASSIGNMENT OF RENTS AND LEASES

NOVI CAMPUS, LLC,
a Maryland limited liability company
(Assignor)

to

MERCANTILE-SAFE DEPOSIT AND TRUST CORPORATION
a Maryland corporation
(Assignee)

Dated February 12, 2002

This instrument has been executed outside the State of Michigan

DRAFTED BY AND
WHEN RECORDED, RETURN TO:

BALLARD SPAHR ANDREWS & INGERSOLL, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202-3268
Attention: Christopher J. Fritz, Esquire

O.K. - MH

Bank Of America - CD#13 - Control ID#1133

Document: 1.11

ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT OF RENTS AND LEASES given as of the 12th day of February, 2002, by **NOVI CAMPUS, LLC**, a Maryland limited liability company (hereinafter referred to as **"Assignor"**), to **MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY**, a Maryland banking corporation (hereinafter referred to as **"Assignee"**).

1. ASSIGNMENT

Assignor, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby transfer for and assign unto Assignee, its successors and assigns, all right, title and interest of Assignor in, to and under any and all leases executed by Assignor relating to or affecting the property located On Thirteen Mile Road, in the City of Novi, Oakland County, Michigan, and described in Exhibit A, attached hereto as a part hereof (hereinafter referred to as the **"Premises"**), or any part thereof, now existing or which may be executed at any time in the future prior to the expiration or termination of this Assignment, and all amendments, extensions and renewals thereof (hereinafter collectively referred to as the **"Leases"** or singularly as the **"Lease"**) together with any and all guarantees of the obligations of the lessees under said Leases, (hereinafter such lessees are collectively referred to as the **"Lessees"** or singularly as the **"Lessee"**), and all rents, income and profits which may now or hereafter be or become due or owing under the Leases, or any of them, or on account of the use and/or occupancy of the Premises (collectively, **"Rents"**) The rights assigned hereunder shall include all of the Assignor's right and power to modify any Lease, to terminate the term, to accept a surrender thereof, to waive or release the Lessee thereunder from the performance or observance by such Lessee of any obligations or conditions thereof, and to anticipate rents thereunder for more than one (1) month prior to accrual.

2. PURPOSES

2.01 Payment of Indebtedness. This Assignment is made for the purpose of securing the payment and performance of all of Assignor's obligations under a Revolving Loan Note of even date herewith (as amended, restated, or otherwise modified, the **"Note"**) executed by the Assignor in connection with a certain loan (hereinafter, the **"Loan"**) extended to Assignor by Assignee in the amount of Forty-Six Million Dollars ($46,000,000).

2.02 Other Sums. This Assignment also secures the payment and performance by Assignor of all other due obligations of Assignor in connection with the Note and the Mortgage (the **"Mortgage"**) dated of even date herewith, and any obligation, existing or hereinafter created, owed by the Assignor to the Assignee.

2.03 Other Obligations. This Assignment further secures the performance and discharge of each and every obligation, covenant and agreement of Assignor contained herein or in the Note, or the Mortgage or any document executed in connection therewith.

3. COVENANTS AND WARRANTIES OF ASSIGNOR

3.01 Priority. Except for the assignments, if any, in favor of or approved in writing by Assignee, Assignor has not made or executed and will not make or execute any other assignment of any of the Leases, or the rents, income and profits accruing from the Premises. Assignor has not performed any acts or omitted to do any acts or execute any other instruments, and will not perform any acts or omit to do any acts, or execute any other instruments which will or might prevent Assignee from fully exercising Assignee's rights under any of the terms, covenants and conditions of this Assignment.

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3.02 Existing Leases. All existing Leases (if any) are valid and enforceable in accordance with their terms. There are no material defaults now existing under any existing leases and no state of facts now exists which, with the giving of notice or the lapse of time, or both, would constitute a material default or event of default thereunder. No existing Leases have been altered, modified, amended, terminated or renewed, nor have any of the terms and conditions thereof been waived in any manner. No existing Leases will be hereafter altered, modified or amended in any material respect, or terminated or renewed, nor will any material term or condition thereof by the Lessee to be kept, observed or performed be waived, nor will the Lessee be released from the observance or performance of any duties or obligations thereunder, without the prior written approval of Assignee.

3.03 Subsequent Leases. All Leases hereafter entered into shall be in such form, with such Lessees, and under such terms and conditions as shall have been previously approved by Assignee. (Assignee shall promptly notify Assignor of approval, (which shall not be unreasonably withheld or disapproval of any particular Lease.) Following approval by Assignee, no such Lease will be altered, modified, or amended in any material respect (except as expressly contemplated therein), or terminated or renewed, nor will any material obligation thereunder of the Lessee be waived, nor will the Lessee be released from the observance and performance of any duties or obligations thereunder, without the prior written approval of Assignee

3.04 Performance. Assignor will keep, observe and perform each and every condition and covenant imposed on Assignor under the Leases. Assignor will give prompt notice to Assignee of any material default under any Lease. Assignor, at its sole cost and expense, will enforce, short of termination, the performance or observance of each and every covenant and condition imposed on the Lessee under each Lease. Assignor, at its sole cost and expense, will appear in and defend any and all actions growing out of or in any manner related to, any of the Leases or the obligations, rights, or liabilities of Assignor or any of the Lessees thereunder.

3.05 Collection of Rents. Assignor has not collected or accepted payment of, and will not collect, or accept payment of, rent under any of the Leases for more than one (1) month in advance.

3.06 Further Assurances. Assignor will execute and deliver to the Assignee at the request of Assignee all such further assurances and assignments as Assignee shall from time to time require or deem necessary.

3.07 No Restraints. Assignor is not prohibited by or under any agreement with any other person or party, or under any judgment or decree, from the execution and delivery of this Assignment or from the performance of each and every covenant of Assignor hereunder.

3.08 No Litigation. No litigation or other action has been brought or threatened by or against Assignor or any person or party claiming by, through or under Assignor, which would interfere with the right of Assignor to execute this Assignment, or to perform any of all of Assignor's duties and obligations hereunder.

4. COLLECTION OF RENTS

4.01 Collection of Rents. So long as no Event of Default, as hereinafter defined, exists on the part of Assignor, the Assignor shall have the right to collect, but not more than one (1) month prior to accrual, all rents, issues and profits from the Premises and to retain, use and enjoy the same.

4.02 Release. Upon the payment and performance of all obligations of Assignor under the Note, this Assignment shall be and become null and void, of no further force or effect.

5. FURTHER COVENANTS, WARRANTIES AND AGREEMENTS

5.01 Event of Default. Each of the following shall constitute an "Event of Default" hereunder by Assignor:

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(i) Assignor fails to keep, observe or perform any covenant, agreement or obligation of Assignor contained in this Assignment, which failure continues for a period of thirty (30) days after written notice to Assignor;

(ii) any representation or warranty of Assignor herein contained proves untrue or misleading in any material respect;

(iii) any default (including expiration of any applicable grace or cure period) or Event of Default occurs in or under the Note or the Mortgage or any other documents executed in connection therewith.

5.02 Remedies. If a default (which is not cured within any applicable grace or cure period) or an Event of Default occurs, Assignee may at Assignee's option, without notice to Assignor, do any one or more of the following:

(i) declare all amounts owed by the Assignor to the Assignee immediately due and payable as to Assignor, whether or not the same are then due or owing;

(ii) enter upon, take possession of, lease and operate the Premises, without becoming a mortgagee in possession; take possession of all personal property, fixtures, documents, books, records, papers and accounts of Assignor relating thereto, and exclude the Assignor, its agents and servants, therefrom;

(iii) perform any and all obligations of Assignor under any of the Leases and exercise any and all rights of Assignor therein contained, as fully as Assignor could, without regard to the adequacy of security for the indebtedness hereby secured, with or without the bringing of any legal action or the causing of any receiver to be appointed by any court;

(iv) make, enforce, modify and accept the surrender of any Lease;

(v) retain and or evict any Lessee, subject to rights of Lessee contained in the Mortgage or in any non-disturbance agreement executed by Assignee;

(vi) fix or modify rent with respect to all or any portion of the Premises;

(vii) sue for or otherwise collect and receive all rents, issues and profits with respect to all or any portion of the premises, and apply the same in the manner provided in Section 5.03 hereof; and

(viii) do all other acts which Assignee may deem necessary or proper to protect Assignee's security.

5.03 Power of Attorney. Assignor hereby appoints Assignee the true and lawful attorney-in-fact of Assignor, with full power of substitution, in Assignor's name and or in Assignee's name, after an Event of Default hereunder, to sue for or make such settlement of claims, as Assignee may deem necessary or desirable, or otherwise demand, collect and receive, all rents, issues and profits emanating from or related to the Premises, or any part thereof, or any of the Leases, and to apply the same: first, to and against all costs and expenses of operation of the Premises (including, but not limited to, the payment of taxes, special assessments, insurance premiums, damage claims, and costs of maintaining, repairing, rebuilding and restoring the improvements on the Premises or of making the same rentable) of the performance of Assignor's obligations under the Leases, and of collection (including actual attorneys' fees) of such rents, issues and profits; second, to interest on, and then to the principal of, the indebtedness secured hereby; and third, to any other indebtedness or charge secured hereby or by the Mortgage. This power of attorney shall be deemed to be coupled with an interest, and shall be irrevocable. It is the intention of Assignor that

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all persons and parties may rely upon this power of attorney, and continue to rely upon it, unless and until this Assignment has become null and void pursuant to Section 4.02 hereof.

5.04 Payment by Lessees to Assignee. The Lessees are authorized and directed upon written demand by Assignee to pay any and all amounts due to Assignor under or pursuant to the Leases to Assignee, or to such nominee as Assignee may designate in writing delivered to and received by such Lessees. The Lessees are hereby expressly relieved of any and all duty, liability or obligation to Assignor in respect of all payments so made.

5.05 Assignee Not Liable for Performance Under Leases. Assignee shall be under no obligation to exercise or prosecute any of the rights or claims assigned to Assignee hereunder, or to perform or carry out any of the obligations of Assignor under any of the Leases, and Assignee does not assume any liabilities in connection with or arising or growing out the covenants and agreements of Assignor in the Leases. This Assignment shall not operate to place responsibility for the control, care, management or repair of the Premises, or any part thereof, upon Assignee, nor shall it operate to make Assignee liable for the performance of any of the terms and conditions of any of the Leases, or for any waste of the Premises by the Lessees or by any other party, or for any dangerous or defective condition of the Premises, resulting in loss, injury or death of any of the Lessees, or to any other person or party.

5.06 Indemnity. Assignor hereby agrees to indemnify and hold Assignee harmless from any and all liability, loss, damage, cost or expense, including actual attorney's fees, which may be incurred by Assignee under any of the Leases, or by reason of this Assignment, and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligations or undertakings on Assignee's part to perform or discharge any of the terms, covenants or agreement contained in any of the Leases, other than any liability, loss, damage, claim or demand arising solely from willful misconduct of Assignee.

5.07 No Merger. The Assignor, without the prior written consent of the Assignee, will not cause or permit the leasehold estate under any Lease to merge with the Assignor's reversionary interest.

5.08 Rents in Michigan. With respect to Rents, Assignee shall be entitled to all the rights and benefits conferred by Act No. 210 of the Michigan Public Acts of 1953, as amended by Act No. 151 of the Michigan Public Acts of 1966 (MCLA § 554.231 et seq.), and Act No. 228 of the Michigan Public Acts of 1925, as amended by Act No. 55 of the Michigan Public Acts of 1933 (MCLA § 554.211 et seq.). All earnings, revenues, rents, issues, profits and income of the Premises or any part thereof are hereby assigned to Assignee and, in the case of the happening and continuation of an Event of Default hereunder or as defined in the Mortgage, Assignee shall be entitled to collect and receive all such earnings, revenues, rents, issues, profits and income personally or through a receiver as long as any such Event of Default shall exist and during the pendency of any foreclosure proceedings and during any redemption period, and the collection of such earnings, revenues, rents, issues, profits and income by Assignee shall in no way waive the right of Assignee to foreclose the Mortgage in the event of such an Event of Default. Assignor agrees to consent to a receiver if this is believed necessary or desirable to Assignee to enforce its right hereunder.

6. MISCELLANEOUS PROVISIONS

6.01 No Waiver. The entry upon and taking possession of the Premises by Assignee, the collection of rents and the application thereof, or the exercise of any other right or remedy by Assignee herein provided, shall not operate to cure or waive any default or Event of Default under any instrument made or given by Assignor to Assignee, or prohibit the taking of any other action by Assignee under any such instrument, or at law or in equity, to enforce payment of the indebtedness secured hereby, or to realize on or enforce any other security for such indebtedness.

6.02 Releases, etc. Assignee may take or release other security for the obligations secured hereby, release any party primarily or secondarily liable for any such obligations, grant extensions, renewals, or indulgences with respect to such obligations, and apply any other security therefor held by Assignee to the satisfaction of such obligations, without prejudice to any of Assignee's rights hereunder.

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6.03 Performance by Assignee. Should Assignor fail to perform or observe any covenant or to comply with any condition contained in any of the Leases, then Assignee (without obligation so to do and without notice to or demand on Assignor or releasing Assignor from Assignor's obligation so to do) may perform such covenant or condition and, to the extent that Assignee shall incur any costs or expenses in connection therewith (including any costs or expenses of litigation), then such costs, expenses or payments shall be included in the indebtedness secured hereby and shall bear interest from the date thereof at the Default Interest Rate under the Note.

6.04 Waiver by Assignee. Neither acquiescence by Assignee, nor failure of Assignee to insist upon strict performance by Assignor of any condition, obligation, warranty or agreement in this Assignment, shall constitute a waiver of such default or any subsequent or other default, nor, in the event Assignor is unable to cure such default, shall any such acquiescence or failure preclude Assignee from therefor declaring such default to be an Event of Default as herein provided. Any waiver by Assignee of any condition, obligation, warranty or agreement herein contained shall be effective only if evidenced in a written instrument signed by Assignee and delivered to Assignor.

6.05 Rights Cumulative. The rights and remedies of Assignee under this Assignment are cumulative and are not in lieu of, but are in addition to all other rights or remedies which Assignee shall have under the Loan Agreement and other Loan Documents, and in law or equity, all of which rights and remedies may be exercised concurrently.

6.06 Severability. If any term of this Assignment, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Assignment, or the application of such term to persons or circumstances other than those as to which such term is invalid or unenforceable, shall not be affected thereby, and each term of this Assignment shall be valid and enforceable to the fullest extent permitted by law.

6.07 Notices. All notices to be given pursuant to this Assignment shall be in writing and shall be deemed to have been sufficiently given or served if presented or made in the manner provided in the Mortgage executed in connection herewith.

6.08 Word Meanings. The terms "Assignor" and "Assignee" shall be construed to include the heirs, executors, legal representatives, administrators, successors and assigns thereof. The term and expression "indebtedness secured hereby" shall mean and include each and every indebtedness referred to in Article 2 and in Section 6.03 hereof.

6.09 Amendments. This Assignment contains the entire agreement by the parties with respect to the subject matter hereof and may not be amended, modified or changed except by an instrument in writing, signed by the party against whom enforcement of any such waiver, amendment, change, modification or discharge is sought and delivered to the other party.

6.10. Captions. The captions herein are for reference purposes only.

6.11. Time. Time is of the essence of this Assignment.

6.12. Governing Law. Except as provided to the contrary below, this Assignment shall be governed by and construed in accordance with the internal laws of the State of Maryland applicable to contracts made and to be performed in such state (without regard to principles of conflicts of law applicable under Maryland law and applicable laws of the United States of America); provided, however, that with respect to the provisions hereof which relate to title or the creation, perfection, priority, enforcement or foreclosure of liens on and security interests in or assignments of any of the Property, or as otherwise required by the laws of Michigan, this Assignment shall be governed by the laws of Michigan; it being understood that, to the fullest extent permitted by the laws of Michigan, the laws of the State of Maryland shall govern the validity and enforceability of this Mortgage in all instances where the law of Michigan is not specifically made the law applicable to this Assignment.

IN WITNESS WHEREOF, Assignor has caused this Assignment of Rents and Leases to be signed and sealed as of the date first above written.

WITNESS:

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC,
Member

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and
Chief Operating Officer

Print Name:

Print Name:

STATE OF MARYLAND :

: SS:

CITY OF BALTIMORE :

On the 12th day of February, 2002 before me personally came Andrew V. Aldi, to me known to be the person who executed the foregoing instrument, and who, being by me duly sworn, did depose and say that he is the Executive Vice President and Chief Operating Officer of Erickson Retirement Communities, LLC, a Maryland limited liability company which is a member of NOVI Campus, LLC, a Maryland limited liability company; and that he executed the foregoing instrument in the name of NOVI Campus, LLC, and that he had authority to sign the same, and acknowledged that he executed the same as the act and deed of NOVI Campus, LLC.

Christine C. Furr
NOTARY PUBLIC

CHRISTINE C. FURR NOTARY PUBLIC HOWARD COUNTY, MD.

My Commission Expires: Nov 15, 2005

EXHIBIT A

Legal Description

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3:

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

PARCEL 4:

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

Bank Of America - CD#13 - Control ID#1133

ALSO DESCRIBED AS: LIBER26112PAGE866

Part of the West ½ of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Commencing at the Southwest Corner of Section 1, Town 1 North, Range 8 East; thence along the West Line of Section 1, North 03°28'39" West 60.01 feet to the POINT OF BEGINNING; thence continuing along the West Line of Section 1, North 03°28'39" West 2590.40 feet to the West ¼ Corner of Section 1, Town 1 North, Range 8 East; thence along the West Line of Section 1 and along the boundary of "The Maples of Novi, Maple Hills", Oakland County Condominium Plat No. 627, North 02°28'35" West 649.69 feet; thence continuing along the boundary of "The Maples of Novi, Maple Hills" the following two (2) courses: one (1) North 87°21'41" East 682.69 feet and two (2) North 03°11'10" West 2.24 feet; thence along the south boundary of "Haverhill Farms", Oakland County Condominium Plat No. 912, North 87°19'27" East 693.69 feet; thence South 03°16'01" East 3236.69 feet to a point 70.00 feet North of the South Line of Section 1, thence along the North Line of Thirteen Mile Road the following five (5) courses: one (1) South 87°31'40" West 25.33 feet, two (2) South 02°28'20" East 15.00 feet, three (3) South 87°31'40" West 300.00 feet, four (4) North 02°28'20" West 5.00 feet, and five (5) South 87°31'40" West 1050.40 feet to the POINT OF BEGINNING. Contains 102.817 Acres.

22-01-300-013 NW SW

CERTIFICATE OF COPY OF RECORD
STATE OF MICHIGAN
COUNTY OF OAKLAND

I, Ruth Johnson, Register of Deeds for Oakland County, certify that I have compared the attached copy with the original record on file, and it is a true and correct transcript of the original record in Liber 40112 Page(s) 956-960
in testimony whereof, I have set my hand and affixed the seal of REGISTER OF DEEDS on 9-21-09.

By: Carolyne A. Barnhart
DEPUTY CLERK Carolyne A. Barnhart

Per PA #53, effective 9-6-07

Document 1.12

ENVIRONMENTAL COMPLIANCE CERTIFICATE AND AGREEMENT

Novi Campus, LLC, a Maryland limited liability company (the "**Borrower**") having borrowed from Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation (the "**Bank**"), a revolving loan in the aggregate principal amount not to exceed $46,000,000 (the "**Loan**"), and having secured said Loan with a lien on certain property owned by the Borrower and hereinafter more particularly described (the "**Property**"), hereby certifies, jointly and severally with Erickson Retirement Communities, LLC, a Maryland limited liability company (the "**Guarantor**") as follows:

To the best of the Borrower's and Guarantor's knowledge, after such investigation as is appropriate under the circumstances, and except as otherwise noted in the Report on: Phase I Environmental Site Assessment, Proposed Erickson Retirement Community Property, Novi, Michigan, Project No. 16-000742-00 dated August 21, 2000 (the "**Assessment**"). prepared for the Guarantor by NTH Consultants, Ltd. of Farmington Hills, Michigan, there are no hazardous materials presently located on the Property, which is more particularly described in Exhibit A attached hereto, which under federal, state, or local law, statute, ordinance or regulation; or court or administrative order or decree; or private agreement, require special handling in collection, storage, treatment, or disposal, and that neither the Borrower, the Guarantor, nor any other occupant of the Property, will place or permit to be placed any such materials on the Property other than in compliance with federal, state or local laws.

To the best of the Borrower's and Guarantor's knowledge, no properties adjoining the Property contain any hazardous materials or other materials described in the preceding paragraph.

The Borrower and the Guarantor hereby jointly and severally covenant and agree that they will promptly commence and diligently pursue to completion all of the matters described in Exhibit B attached hereto (the "**Required Actions**"). The Borrower and the Guarantor hereby jointly and severally agree that all such Required Actions shall be taken, fully completed and certified to the Bank as required herein within thirty (30) days (or if such actions cannot be completed within 30 days, then within such longer period as may be reasonably required not to exceed an additional 60 days for a maximum period of 90 days, provided Borrower promptly commences and diligently pursues such actions at all times) from the date of this Certificate and Agreement. If at any time pursuit of any of any such matters uncovers additional issues or problems, the Borrower and the Guarantor will again promptly commence and diligently pursue, jointly and severally, any recommendations made by the professional environmental consultant reviewing such work or by any independent environmental consultant engaged by the Bank, in connection with such a discovery within the time frame set forth above.

Compliance with the obligations of the Borrower and the Guarantor within the time frame set forth in this Certificate and Agreement shall be certified to the Bank by the Borrower, the Guarantor and the professional environmental consultant advising the Borrower and the Guarantor, or if no such consultant is advising the Borrower and the Guarantor (or if the Bank

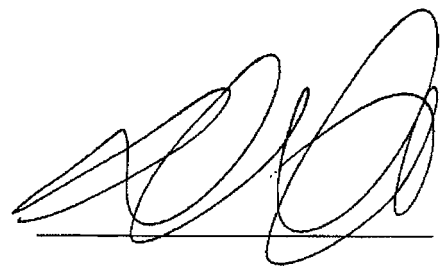
has not approved the consultant advising the Borrower and the Guarantor), by an independent, professional environmental consultant appointed by the Bank.

The Borrower and the Guarantor jointly and severally acknowledge and agree that any failure to perform any obligations under this Certificate and Agreement within the time frames set forth herein shall constitute an Event of Default under the Loan Documents evidencing and securing the Loan, without notice, grace or cure rights.

Time is of the essence of this Agreement.

EXECUTED as of the 12th day of February, 2002.

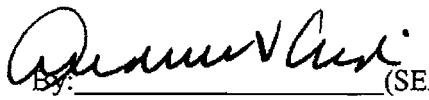
WITNESS:



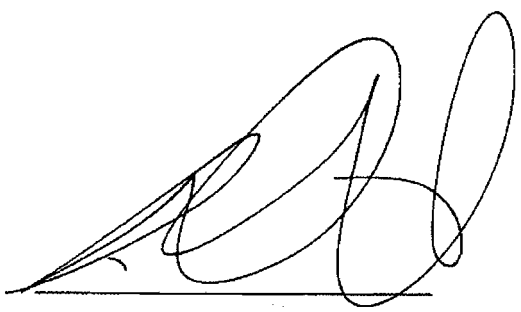
BORROWER:

NOVI CAMPUS, LLC

By: Erickson Retirement Committee, LLC

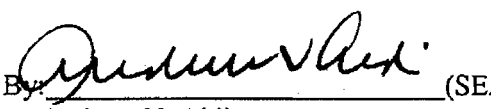


By: _____(SEAL)
Andrew V. Aldi,
Executive Vice President and
Chief Operating Officer



GUARANTOR:

ERICKSON RETIREMENT COMMUNITIES, LLC



By: _____(SEAL)
Andrew V. Aldi,
Executive Vice President and
Chief Operating Officer

EXHIBIT A

Legal Description

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3:

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

PARCEL 4:

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

ALSO DESCRIBED AS:

Part of the West ½ of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Commencing at the Southwest Corner of Section 1, Town 1 North, Range 8 East; thence along the West Line of Section 1, North 03°28'39" West 60.01 feet to the POINT OF BEGINNING; thence continuing along the West Line of Section 1, North 03°28'39" West 2590.40 feet to the West ¼ Corner of Section 1, Town 1 North, Range 8 East; thence along the West Line of Section 1 and along the boundary of "The Maples of Novi, Maple Hills", Oakland County Condominium Plat No. 627, North 02°28'35" West 649.69 feet; thence continuing along the boundary of "The Maples of Novi, Maple Hills" the following two (2) courses: one (1) North 87°21'41" East 682.69 feet and two (2) North 03°11'10" West 2.24 feet; thence along the south boundary of "Haverhill Farms", Oakland County Condominium Plat No. 912, North 87°19'27" East 693.69 feet; thence South 03°16'01" East 3236.69 feet to a point 70.00 feet North of the South Line of Section 1, thence along the North Line of Thirteen Mile Road the following five (5) courses: one (1) South 87°31'40" West 25.33 feet, two (2) South 02°28'20" East 15.00 feet, three (3) South 87°31'40" West 300.00 feet, four (4) North 02°28'20" West 5.00 feet, and five (5) South 87°31'40" West 1050.40 feet to the POINT OF BEGINNING. Contains 102.817 Acres.

Exhibit B

List of Required Actions

1. Evidence of disposition of aboveground tank in form and substance satisfactory to the Bank.

EXHIBIT 8

"Pledge Agreement" - Member Interest Pledge Agreement

Pledgor: Erickson Retirement Communities, LLC

"ERC Financing Statements" :

Debtor: Erickson Retirement Communities, LLC

1. UCC-1 Financing Statement Recorded With The Maryland State Department Of Assessments And Taxation

2. UCC-1 Financing Statement Recorded Among The Land Records Of Oakland County, Michigan And Among The Financing Statement Records Of Oakland County, Michigan

Document: 1.8

MEMBER INTEREST PLEDGE AGREEMENT

This MEMBER INTEREST PLEDGE AGREEMENT (this "**Agreement**"), is dated as of February 12, 2002 and entered into by and among ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company ("**Erickson or Pledgor**"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation ("**Secured Party**" or "**Lender**").

RECITALS

A. Pledgor is the legal and beneficial owner of the member interests (the "**Pledged Interests**") described in Schedule I annexed hereto and incorporated herein by this reference and issued by Novi Campus, LLC, a Maryland limited liability company (the "**Company**").

B. Secured Party has entered into a Construction Loan Agreement dated of even date herewith (as such Loan Agreement may hereafter be amended, supplemented or otherwise modified from time to time, being the "**Loan Agreement**") with the Company, pursuant to which Secured Party has agreed, subject to the terms and conditions set forth in the Loan Agreement, to make loans to the Company in an aggregate maximum amount up to Forty-Six Million Dollars ($46,000,000) (the "**Loan**"), for the purposes described in the Loan Agreement. All initially-capitalized terms not otherwise defined herein (including the term "Event of Default") shall have the meanings given such terms in the Loan Agreement.

C. It is a condition precedent to the extension of credit by Secured Party under the Loan Agreement that the Pledgor shall have granted the security interests and undertaken the obligations contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce Secured Party to make the Loan under the Loan Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Pledgor hereby agrees with Secured Party as follows:

Section 1. **Pledge of Security**. Pledgor hereby pledges to Secured Party, and hereby grants to Secured Party a security interest in, all of Pledgor's right, title and interest in and to the following (the "**Pledged Collateral**"):

(a) the Pledged Interests and any certificates representing the Pledged Interests and any interest of Pledgor in the entries on the books of any financial intermediary pertaining to the Pledged Interests, and all dividends, distributions, cash, warrants, rights, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Interests;

(b) all additional interests in, and all securities convertible into and warrants, options and other rights to purchase or otherwise acquire, interests in any issuer of the Pledged Interests from time to time acquired by Pledgor in any manner (which interests shall be

deemed to be part of the Pledged Interests), the certificates or other instruments representing such additional interests, securities, warrants, options or other rights and any interest of Pledgor in the entries on the books of any financial intermediary pertaining to such additional interests, and all dividends, distributions, cash, warrants, rights, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such additional interests, securities, warrants, options or other rights; and

(c) to the extent not covered by clauses (a) and (b) above, all proceeds of any or all of the foregoing Pledged Collateral. For purposes of this Agreement, the term "proceeds" includes whatever is receivable or received when Pledged Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, proceeds of any indemnity or guaranty payable to Pledgor or Secured Party from time to time with respect to any of the Pledged Collateral.

Section 2. **Security for Obligations**. This Agreement secures, and the Pledged Collateral is collateral security for, the prompt payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. §362(a)), of the Loan and all obligations and liabilities of every nature of the Company now or hereafter existing under or arising out of or in connection with the Loan Agreement and the other Loan Documents and all extensions or renewals thereof, whether for principal, interest (including without limitation interest that, but for the filing of a petition in bankruptcy with respect to the Company, would accrue on such obligations), fees, expenses, indemnities or otherwise, whether voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from Secured Party as a preference, fraudulent transfer or otherwise (all such obligations and liabilities being the "**Underlying Debt**"), and all obligations of every nature of the Pledgor now or hereafter existing under this Agreement (all such obligations of the Pledgor, together with the Underlying Debt, being the "**Secured Obligations**").

Section 3. **Delivery of Pledged Collateral**. All certificates or instruments representing or evidencing the Pledged Collateral shall be delivered to and held by or on behalf of Secured Party pursuant hereto and shall be in suitable form for transfer by delivery or, as applicable, shall be accompanied by Pledgor's endorsement, where necessary, or duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to Secured Party. Secured Party shall have the right, at any time in its discretion and without notice to any Pledgor, to transfer to or to register in the name of Secured Party or any of its nominees any or all of the Pledged Collateral, subject only to the revocable rights specified in Section 7(a). In addition, Secured Party shall have the right at any time to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations.

Section 4. **Representations and Warranties**. Pledgor represents and warrants, with respect to itself and the Pledged Collateral listed opposite its name on Schedule I attached hereto, as follows:

(a) Due Authorization, etc. of Pledged Collateral. All of the Pledged Interests held by Pledgor have been duly authorized and validly issued and are fully paid and non-assessable.

(b) Ownership of Pledged Collateral. Pledgor is the legal, record and beneficial owner of the Pledged Collateral free and clear of any Lien except for the security interest created by this Agreement.

(c) Perfection. The pledge of the Pledged Collateral pursuant to this Agreement, together with the recording of the financing statements executed by the Pledgor in connection herewith among the UCC records of the Maryland State Department of Assessments and Taxation, creates a valid and perfected first priority security interest in the Pledged Collateral, securing the payment of the Secured Obligations.

(d) Description of Pledged Interests. The Pledged Interests constitute one hundred percent (100%) of the issued and outstanding member interests in the Company, and there are no outstanding warrants, options or other rights to purchase, or other agreements outstanding with respect to, or property that is now or hereafter convertible into, or that requires the issuance or sale of, any Pledged Interests, except as set forth in the Company's Operating Agreement. None of the Pledged Interests are now or shall at any time hereafter be certificated or represented by any instrument possession of which would be required to perfect the Secured Party's lien.

Section 5. Transfers and Other Liens; Additional Pledged Collateral; Etc.

(a) Pledgor shall not (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral, or (ii) create or suffer to exist any Lien upon or with respect to any of the Pledged Collateral, or (iii) permit the Company to merge or consolidate unless all of the outstanding member interests in the surviving or resulting company are, upon such merger or consolidation, pledged hereunder and no cash, securities or other property is distributed in respect of the outstanding member interests or shares of any other constituent corporation or limited liability company;

(b) Pledgor shall (i) cause the Company not to issue any member interests or other securities in addition to or in substitution for the Pledged Interests, except to the Pledgor, and (ii) notwithstanding the foregoing clause (i), pledge hereunder, immediately upon its acquisition (directly or indirectly) thereof, any and all additional member interests or other securities of the Company which may be issued at any time;

(c) Pledgor shall promptly notify Secured Party of any event of which Pledgor becomes aware causing a material loss or depreciation in the value of the Pledged Collateral;

(d) Pledgor shall promptly deliver to Secured Party all written notices received by it with respect to the Pledged Collateral; and

(e) Pledgor shall pay promptly when due all taxes, assessments and governmental charges or levies imposed upon, and all claims against, the Pledged Collateral, except to the extent the validity thereof is being contested in good faith; provided that Pledgor shall in any event pay such taxes, assessments, charges, levies or claims not later than five days prior to the date of any proposed sale under any judgment, writ or warrant of attachment entered or filed against Pledgor or any of the Pledged Collateral as a result of the failure to make such payment.

Section 6. Further Assurances; Pledge Amendments.

(a) Pledgor agrees that from time to time, at the expense of Pledgor, Pledgor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Secured Party may request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral. Without limiting the generality of the foregoing, Pledgor will: (i) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as Secured Party may request, in order to perfect and preserve the security interests granted or purported to be granted hereby and (ii) at Secured Party's request, appear in and defend any action or proceeding that may affect Pledgor's title to or Secured Party's security interest in all or any part of the Pledged Collateral. Without implying any limitation on the foregoing, the Pledgor shall take such steps as the Secured Party may require and which may be necessary in order that Secured Party may have "control" (to the extent control is permitted) with respect to the Pledged Collateral in accordance with the applicable Uniform Commercial Code. Further, to the extent permitted by applicable laws, the Secured Party may file, without the Pledgor's signature, one or more financing statements or other notices disclosing the Secured Party's liens and other security interests. The terms "sign," "signed" and signatures" shall have their ordinary meanings except that, to the limited extent the Secured Party in an authenticated record expressly agrees otherwise from time to time in the exercise of its sole and absolute discretion, the terms may also include other methods used to authenticate.

(b) Pledgor further agrees that it will, upon obtaining any additional member interests or other securities required to be pledged hereunder as provided in Section 5(b), promptly (and in any event within five Business Days) deliver to Secured Party a Pledge Amendment, duly executed by Pledgor, in substantially the form of Schedule II annexed hereto and incorporated herein by this reference (a "Pledge Amendment"), in respect of the additional Pledged Interests to be pledged pursuant to this Agreement. Pledgor hereby authorizes Secured Party to attach each Pledge Amendment to this Agreement and agrees that all Pledged Interests listed on any Pledge Amendment delivered to Secured Party shall for all purposes hereunder be considered Pledged Collateral; provided that the failure of Pledgor to execute a Pledge Amendment with respect to any additional Pledged Interests pledged pursuant to this Agreement shall not impair the security interest of Secured Party therein or otherwise adversely affect the rights and remedies of Secured Party hereunder with respect thereto.

Section 7. Voting Rights; Dividends; Distributions; Etc.

(a) So long as no Event of Default shall have occurred and be continuing:

(i) Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement, the Loan Agreement or any other Loan Document; and

(ii) Pledgor shall be entitled to receive and retain, and to utilize free and clear of the lien of this Agreement, only the dividends, distributions and interest permitted under the terms of the Loan Agreement and other Loan Documents.

(b) Upon the occurrence and during the continuation of an Event of Default:

(i) upon written notice from Secured Party to Pledgor, all rights of such Pledgor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to Section 7(a)(i) shall cease, and all such rights shall thereupon become vested in Secured Party who shall thereupon have the sole right to exercise such voting and other consensual rights;

(ii) all rights of Pledgor to receive the dividends, distributions and interest payments which it would otherwise be authorized to receive and retain pursuant to Section 7(a)(ii) shall cease, and all such rights shall thereupon become vested in Secured Party who shall thereupon have the sole right to receive and hold as Pledged Collateral such dividends, distributions and interest payments; and

(iii) all dividends, distributions, principal and interest payments which are received by Pledgor contrary to the provisions of paragraph (ii) of this Section 7(b) shall be received in trust for the benefit of Secured Party, shall be segregated from other funds of Pledgor and shall forthwith be paid over to Secured Party as Pledged Collateral in the same form as so received (with any necessary endorsements).

(c) In order to permit Secured Party to exercise the voting and other consensual rights which it may be entitled to exercise pursuant to Section 7(b)(i) and to receive all dividends and other distributions which it may be entitled to receive under Section 7(a)(ii) or Section 7(b)(ii), Pledgor shall promptly execute and deliver (or cause to be executed and delivered) to Secured Party all such proxies, dividend or distribution payment orders and other instruments as Secured Party may from time to time reasonably request.

Section 8. **Secured Party Appointed Attorney-in-Fact.** Pledgor hereby irrevocably appoints Secured Party as Pledgor's attorney-in-fact, with full authority in the place

and stead of Pledgor and in the name of Pledgor, Secured Party may, from time to time in Secured Party's discretion, take any action and execute any instrument that Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation:

(a) to file one or more financing or continuation statements, or amendments thereto, relative to all or any part of the Pledged Collateral without the signature of Pledgor;

(b) to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for money due and to become due under or in respect of any of the Pledge Collateral;

(c) to receive, endorse and collect any instruments made payable to Pledgor representing any dividend, principal or interest payment or other distribution in respect of the Pledged Collateral or any part thereof and to give full discharge for the same; and

(d) to file any claims or take any action or institute any proceedings that Secured Party may deem necessary or desirable for the collection of any of the Pledged Collateral or otherwise to enforce the rights of Secured Party with respect to any of the Pledged Collateral.

The Secured Party shall not take any of the actions described in paragraphs (b), (c) or (d) until after the occurrence of an Event of Default.

Section 9. **Secured Party May Perform**. If Pledgor fails to perform any agreement contained herein, Secured Party may itself perform, or cause performance of, such agreement, and the expenses of Secured Party incurred in connection therewith shall be payable by Pledgor under Section 13(b).

Section 10. **Standard of Care**. The powers conferred on Secured Party hereunder are solely to protect its interest in the Pledged Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the custody of any Pledged Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to any Pledged Collateral, it being understood that the Secured Party shall have no responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Pledged Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters, (b) taking any necessary steps (other than steps taken in accordance with the standard of care set forth above to maintain possession of the Pledged Collateral) to preserve rights against any parties with respect to any Pledged Collateral, (c) taking any necessary steps to collect or realize upon the Secured Obligations or any guarantee therefore, or any part thereof, or any of the Pledged Collateral, or (d) initiating any action to protect the Pledged Collateral against the possibility of a decline in market value. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of Pledged Collateral in its possession if such Pledged Collateral is accorded treatment substantially equal to that which Secured Party accords its own property consisting of similar securities.

Section 11. Remedies.

(a) If any Event of Default shall have occurred and be continuing, the Secured Party may exercise in respect of the Pledged Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code as in effect in any relevant jurisdiction (the "Code") (whether or not the Code applies to the affected Pledged Collateral), and Secured Party may also in its sole discretion, without notice except as specified below, sell the Pledged Collateral or any part thereof in one or more parcels at public or private sale, at any exchange or broker's board or any of Secured Party's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as Secured Party may deem commercially reasonable, irrespective of the impact of any such sales on the market price of the Pledged Collateral. Secured Party may be the purchaser of any or all of the Pledged Collateral at any such sale and Secured Party shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Pledged Collateral sold at any such public sale, to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Pledged Collateral payable by Secured Party at such sale. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of Pledgor, and Pledgor hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Pledgor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days notice to Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. Secured Party shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Pledgor hereby waives any claims against Secured Party arising by reason of the fact that the price at which any Pledged Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if Secured Party accepts the first offer received and does not offer such Pledged Collateral to more than one offeree. If the proceeds of any sale or other disposition of the Pledged Collateral are insufficient to pay all the Secured Obligations, Pledgor shall be liable for the deficiency and the fees of any attorneys employed by Secured Party to collect such deficiency.

(b) Pledgor recognizes that, by reason of certain prohibitions contained in the Securities Act of 1933, as from time to time amended (the "Securities Act"), and applicable state securities laws, Secured Party may be compelled, with respect to any sale of all or any part of the Pledged Collateral conducted without prior registration or qualification of such Pledged Collateral under the Securities Act and/or such state securities laws, to limit purchasers to those who will agree, among other things, to acquire the Pledged Collateral for their own account, for investment and not with a view to the distribution or resale thereof. Pledgor acknowledges that any such private sales may be at prices and on terms less favorable than those obtainable through a public sale without such restrictions (including, without limitation, a public offering made pursuant to a registration statement under the Securities Act) and, notwithstanding such circumstances, Pledgor agrees that any such private sale shall be deemed to have been made

in a commercially reasonable manner and that Secured Party shall have no obligation to engage in public sales and no obligation to delay the sale of any Pledged Collateral for the period of time necessary to permit the insurer thereof to register it for a form of public sale requiring registration under the Securities Act or under applicable state securities laws, even if such issuer would, or should, agree to so register it.

(c) If Secured Party determines to exercise its rights to sell any or all of the Pledged Collateral, upon written request, Pledgor shall cause each issuer of any Pledged Interests to be sold hereunder from time to time to furnish to Secured Party all such information as Secured Party may request in order to determine the number of shares, interest and other instruments included in the Pledged Collateral which may be sold by Secured Party in exempt transactions under the Securities Act and the rules and regulations of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

Section 12. Application of Proceeds. Except as expressly provided elsewhere in this Agreement, all proceeds received by Secured Party in respect of any sale of, collection from, or other realization upon all or any party of the Pledged Collateral may, in the discretion of Secured Party, be held by Secured Party as Pledged Collateral for, and/or then, or at any time thereafter, applied in full or in part by Secured Party against, the Secured Obligations in the following order of priority:

FIRST: To the payment of all costs and expenses of such sale, collection or other realization, including reasonable compensation to Secured Party and its agents and counsel, and all other expenses, liabilities and advances made or incurred by Secured Party in connection therewith, and all amounts for which Secured Party is entitled to indemnification hereunder and all advances made by Secured Party hereunder for the account of the Pledgor, and to the payment of all costs and expenses paid or incurred by Secured Party in connection with the exercise of any right or remedy hereunder, all in accordance with Section 13;

SECOND: To the payment of all other Secured Obligations in such order as Secured Party shall elect; and

THIRD: To the payment to or upon the order of the Pledgor, or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, of any surplus then remaining from such proceeds.

Section 13. Indemnity and Expenses.

Pledgor agrees to indemnify Secured Party from and against (i) the cost of enforcement of this Agreement, and (ii) any loss due to inaccuracy or breach of the representations and warranties contained in Section 4 hereof.

Section 14. Suretyship Waivers by Pledgor, etc.

(a) Pledgor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which

constitutes a legal or equitable discharge of a guarantor or surety other than indefeasible payment in full of the Underlying Debt. In furtherance of the foregoing and without limiting the generality thereof, Pledgor agrees as follows (to the extent not prohibited by applicable law: (i) Secured Party may from time to time, without notice or demand and without affecting the validity or enforceability of this Agreement or giving rise to any limitation, impairment or discharge of Pledgor's liability hereunder, (A) renew, extend, accelerate or otherwise change the time, place, manner or terms of payment of the Underlying Debt, (B) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Underlying Debt or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations, (C) request and accept guaranties of the Underlying Debt and take and hold other security for the payment of the Underlying Debt, (D) release, exchange, compromise, subordinate or modify, with or without consideration, any other security for payment of the Underlying Debt, any guaranties of the Underlying Debt, or any other obligation of any Person with respect to the Underlying Debt, (E) enforce and apply any other security now or hereafter held by or for the benefit of Secured Party in respect of the Underlying Debt and direct the order or manner of sale thereof, or exercise any other right or remedy that Secured Party may have against any such security, as Secured Party in its discretion may determine consistent with the Loan Agreement and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right or reimbursement or subrogation or other right or remedy of Pledgor against the Company or any other security for the Underlying Debt, and (F) exercise any other rights available to Secured Party under the Loan Documents, at law or in equity; and (ii) this Agreement and the obligations of Pledgor hereunder shall be valid and enforceable and shall not be subject to any limitation, impairment or discharge for any reason (other than indefeasible payment in full of the Underlying Debt), including without limitation the occurrence of any of the following, whether or not Pledgor shall have had notice or knowledge of any of them: (A) any failure to assert or enforce or agreement not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Underlying Debt or any agreement relating thereto, or with respect to any guaranty of or other security for the payment of the Underlying Debt, (B) any waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including without limitation provisions relating to events of default) of the Loan Agreement, any of the other Loan Documents or any agreement or instrument executed pursuant thereto, or any guaranty or other security for the Underlying Debt, (C) the Underlying Debt, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect, (D) the application of payments received from any source to the payment of indebtedness other than the Underlying Debt, even though Secured Party might have elected to apply such payment to any part or all of the Underlying Debt, (E) any failure to perfect or continue perfection of a security interest in any other collateral which secures any of the Underlying Debt, (F) any defenses, set-offs or counterclaims which Borrower may allege or assert against Secured Party in respect of the Underlying Debt, including but not limited to failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury, and (G) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Pledgor as an obligor in respect of the Underlying Debt.

(b) Pledgor hereby waives, for the benefit of Secured Party: (i) any right to require Secured Party, as a condition of payment or performance by Pledgor, to (A) proceed against the Company, any guarantor of the Underlying Debt or any other Person, (B) proceed against or exhaust any other security held from the Company, any guarantor of the Underlying Debt or any other Person, (C) proceed against or have resort to any balance of any deposit account or credit on the books of Secured Party in favor of the Company or any other Person, or (D) pursue any other remedy in the power of Secured Party whatsoever; (ii) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company including, without limitation, any defense based on or arising out of the lack of validity or the unenforceability of the Underlying Debt or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Company from any cause other than indefeasible payment in full of the Underlying Debt; (iii) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (iv) any defense based upon Secured Party's errors or omissions in the administration of the Underlying Debt, except behavior which amounts to bad faith; (v) (A) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this Agreement and any legal or equitable discharge of Pledgor's obligations hereunder (B) the benefit of any statute of limitations affecting Pledgor's liability hereunder or the enforcement hereof, (C) any rights to set-offs, recoupments and counterclaims, and (D) promptness, diligence and any requirement that Secured Party protect, secure, perfect or insure any other security interest or lien or any property subject thereto; (vi) notices, demands, presentments, protests, notices of dishonor and notices of any action or inaction, notices of default under the Loan Agreement or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Underlying Debt or any agreement related thereto, notices of any extension of credit to the Company and notices of any of the matters referred to in the preceding paragraph and any right to consent to any thereof; and (vii) to the fullest extent permitted by law, any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms of this Agreement.

(c) Until the Underlying Debt shall have been indefeasibly paid in full, Pledgor shall withhold exercise of (i) any right of subrogation, (ii) any right of contribution Pledgor may have against any guarantor of the Underlying Debt, and (iii) any benefit of, and any right to participate in, any other security now or hereafter held by Secured Party. Pledgor further agrees that, to the extent the waiver of its rights of subrogation and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation Pledgor may have against the Company or against any other collateral or security, and any rights of contribution Pledgor may have against any such guarantor, shall be junior and subordinate to any rights Secured Party may have against the Company, to all right, title and interest Secured Party may have against the Company, to all right, title and interest Secured Party may have in any such other collateral or security, and to any right Secured Party may have against such guarantor.

(d) Secured Party shall have no obligation to disclose or discuss with Pledgor its assessment of the financial condition of the Company. Pledgor has adequate means to obtain information from the Company on a continuing basis concerning the financial condition

of the Company and its ability to perform its obligations under the Loan Documents, and Pledgor assumes the responsibility for being and keeping informed of the financial condition of the Company and all of the circumstances bearing upon the risk of nonpayment of the Underlying Debt. Pledgor hereby waives and relinquishes any duty on the part of Secured Party to disclose any matter, fact or thing relating to the business, operations or condition of the Company now known or hereafter know by Secured Party.

Section 15. **Continuing Security Interest; Transfer of Loan.** This Agreement shall create a continuing security interest in the Pledged Collateral and shall (a) remain in full force and effect until the indefeasible payment in full of all Secured Obligations, (b) be binding upon Pledgor, its successors and assigns, and (c) inure, together with the rights and remedies of Secured Party hereunder, to the benefit of Secured Party and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), Secured Party may assign or otherwise transfer the Note to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to Secured Party herein or otherwise. Upon the indefeasible payment in full of all Secured Obligations, the security interest granted hereby shall terminate and all rights to the Pledged Collateral shall revert to the Pledgor. Upon any such termination Secured Party will, at Pledgor's expense, execute and deliver to Pledgor such documents as Pledgor shall reasonably request to evidence such termination and Pledgor shall be entitled to the return, upon its request and its expense, against receipt and without recourse to Secured Party, of such of the Pledged Collateral as shall not have been sold or otherwise applied pursuant to the terms hereof.

Section 16. **Amendments; Etc.** No amendment or waiver of any provision of this Agreement, or consent to any departure by Pledgor herefrom, shall in any event be effective unless the same shall be in writing and signed by Secured Party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

Section 17. **Notices.** All notices required or permitted hereunder shall be in writing and made by addressing the same to the party to whom directed at the following addresses by registered or certified mail, return receipt requested:

If to the Lender:	Mercantile-Safe Deposit and Trust Company Two Hopkins Plaza Baltimore, Maryland 21201 Attention: Bruce D. McLean, Senior Vice President
with a copy to:	Christopher J. Fritz, Esquire Ballard Spahr Andrews & Ingersoll, LLP 300 East Lombard Street Suite 1900 Baltimore, Maryland 21202
If to Pledgor:	Erickson Retirement Communities, LLC 701 Maiden Choice Lane

Baltimore, Maryland 21228
Attention: Chief Operating Officer

with a copy to: General Counsel
Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228

Any party may change the address to which notices are to be sent by a writing directed to the other party in the manner aforesaid. Unless otherwise specifically provided, all notices hereunder given by mail, as aforesaid, shall be deemed delivered on the fifth (5th) business day after the date on which the same are deposited in a United States Post Office, general or branch, or an official mail depository, maintained by the U.S. Postal Service, enclosed in a registered or certified prepaid wrapper, with postage prepaid, addressed as above provided, except notice of change of address shall be deemed served when received.

Section 18. **Failure or Indulgence Not Waiver; Remedies Cumulative**. No failure or delay on the part of Secured Party in the exercise of any power, right or privilege hereunder shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude any other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

Section 19. **Severability**. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 20. **Headings**. Section and subsection headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

Section 21. **Governing Law; Terms**. **THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF MARYLAND, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES; PROVIDED, HOWEVER, THAT WITH REGARD TO PROVISIONS INVOLVING THE GRANTING, PERFECTION AND ENFORCEMENT OF SECURITY INTEREST IN COLLATERAL, THE LAW OF THE JURISDICTION WHERE THE COLLATERAL IS LOCATED (OR WHICH OTHERWISE APPLIES TO SECURITY INTEREST IN THE COLLATERAL) SHALL GOVERN**. Unless otherwise defined herein or in the Loan Agreement, terms used in Article 9 of the Uniform Commercial Code in the State of Maryland are used herein as therein defined.

Section 22. **Consent to Jurisdiction and Service of Process**. **ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST PLEDGOR ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY BE BROUGHT IN ANY STATE OR**

RELATING TO THIS AGREEMENT MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF MARYLAND, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT PLEDGOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. Pledgor designates and appoints Jeffrey A. Jacobson, Esquire, at the address set forth in Section 17 above, and such other Persons as may hereafter be selected by Pledgor irrevocably agreeing in writing to so serve, as its agent to receive on its behalf service of all process in any such proceedings in any such court, such service hereby acknowledged by Pledgor to be effective and binding service in every respect. A copy of any such process so served shall be mailed by registered mail to Pledgor as provided in this Agreement; provided that, unless otherwise provided by applicable law, any failure to mail such copy shall not affect the validity of service of such process. If any agent appointed by Pledgor refuses to accept service, Pledgor hereby agrees that service of process sufficient for personal jurisdiction in any action against Pledgor in the State of Maryland may be made by registered or certified mail, return receipt requested, to Pledgor as provided in this Agreement, and Pledgor hereby acknowledges that such service shall be effective and binding in every respect. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of Secured Party to bring proceedings against Pledgor in the courts of any other jurisdiction.

Section 23. Waiver of Jury Trial. Pledgor hereby waives all rights to a jury in any action, counterclaim, or proceeding based upon, or related to, this Agreement or any of the Loan Documents. This waiver applies to all claims against all parties to such actions and proceedings, including parties who are not parties to this Agreement. This waiver is knowingly, intentionally, and voluntarily made by Pledgor who acknowledges that it has been represented in the execution of this Agreement and in the making of this waiver by independent legal counsel, selected of its own free will, and that it has had the opportunity to discuss this waiver with counsel. Pledgor further acknowledges that it has read and understands the meaning and ramifications of this waiver provision.

Section 24. Counterparts. This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Pledgor and Secured Party have caused this Agreement to be duly executed and delivered as of the date first written above.

WITNESS:

"PLEDGOR"

ERICKSON RETIREMENT COMMUNITIES, LLC

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and Chief Operating Officer

"SECURED PARTY"

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____ (SEAL)
Bruce D. McLean,
Senior Vice President

SCHEDULE I

(Pledgor holds all issued/outstanding member interests)

Company: Novi Campus, LLC

Member	Class of Interest	Percentage Interest
Erickson Retirement Communities, LLC	Member	100%

SCHEDULE II

PLEDGE AMENDMENT

This Pledge Amendment, dated _____, 200_, is delivered pursuant to Section 6(b) of the Member Interest Pledge Agreement referred to below. The undersigned hereby agrees that this Pledge Amendment may be attached to the Member Interest Pledge Agreement dated February 12, 2002, between Erickson Retirement Communities, LLC, as Pledgor, and Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation, as Secured Party (the "Member Interest Pledge Agreement," capitalized terms defined therein being used herein as therein defined) and that the Pledged Interests listed on this Pledge Amendment shall be deemed to be part of the Pledged Interests and shall become part of the Pledged Collateral and shall secure all Secured Obligations.

Issuer	Class of Interests	Certificate Nos.	Par Value	Number of Interests

MEMBERSHIP INTEREST TRANSFER POWER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, the entire membership interest in Novi Campus, LLC owned by the undersigned on the books of the Company, and does irrevocably constitute and appoint _____, for and on behalf of Mercantile-Safe Deposit and Trust Company, secured party under the Member Interest Pledge Agreement dated February 12, 2002, attorney to transfer the said membership interest with full power of substitution in the premises.

Dated:_____

WITNESS

ERICKSON RETIREMENT COMMUNITIES, LLC

By:_____(SEAL)
Jeffrey A. Jacobson
Senior Vice President

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0000838286
WORK ORDER:0000567918
DATE:03-20-2002 09:55 AM
AMT. PAID:$140.00

2 3

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
Fran Glushakow-Smith, Esquire (410) 528-5508

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Fran Glushakow-Smith, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: Erickson Retirement Communities, LLC

OR 1b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
701 Maiden Choice Lane	Baltimore	MD	21228	USA

1d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any
52-2003375		limited liability co.	Maryland	MD W04550497 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

2d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any
				☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company

OR 3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza	Baltimore	MD	21201	USA

4. This FINANCING STATEMENT covers the following collateral:

Please see Exhibit A attached hereto and incorporated by reference herein.

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) (optional) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

File with: State Department of Assessments and Taxation of Maryland

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)
UCCNAT- 3/14/01 C T System Online

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 3 page document on file in this office. DATED: 3-20-02

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

205 -959

Bank Of America - CD#13 - Control ID#1133

EXHIBIT A

TO UCC-1 FINANCING STATEMENT
FILED WITH THE
STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND

DEBTOR: ERICKSON RETIREMENT COMMUNITIES, LLC

SECURED PARTY: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

This Financing Statement covers the following collateral:

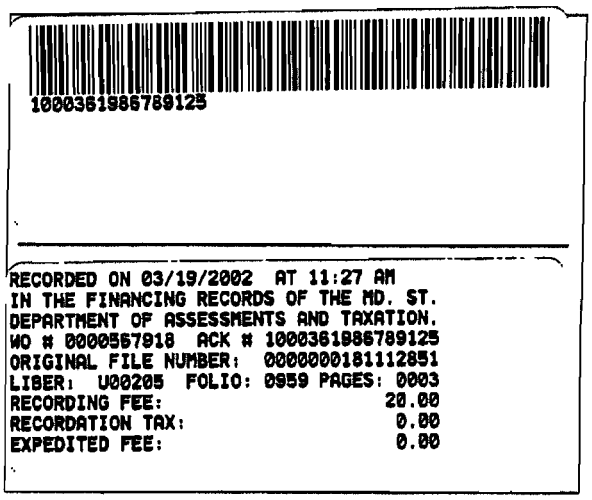
All Assets. All of the assets of Debtor of every kind whatsoever, including but not limited to each item of property of such Debtor, and in all cash and non-cash proceeds and products thereof, and all proceeds of all insurance policies covering all or any part of such property, which are located at, or are used in connection with, or relate to, or arise from the Fox Run Village Retirement Community, in the City of Novi, Oakland County, Michigan, and/or its development, financing and operation.

Pledge of Security. All of Debtor's right, title and interest in and to the following (collectively, the "Pledged Membership Collateral"): (a) all of Debtor's membership interest in Novi Campus, LLC, a Maryland limited liability company ("Novi"), which consists of all of the issued and outstanding membership interest in Novi (the "Pledged Membership Interests") and any certificates representing the Pledged Membership Interests and any interest of Debtor in the entries on the books of any financial intermediary pertaining to the Pledged Membership Interests, and all dividends, distributions, cash, warrants, rights, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Membership Interests; (b) all additional interests in, and all securities convertible into and warrants, options and other rights to purchase or otherwise acquire, interests in any issuer of the Pledged Membership Interests from time to time acquired by Debtor in any manner (which interests shall be deemed to be part of the Pledged Membership Interests), the certificates or other instruments representing such additional interests, securities, warrants, options or other rights and any interest of Debtor in the entries on the books of any financial intermediary pertaining to such additional interests, and all dividends, distributions, cash, warrants, rights, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such additional interests, securities, warrants, options or other rights; and (c) to the extent not covered by clauses (a) and (b) above, all proceeds of any or all of the foregoing Pledged Membership Collateral. The term "proceeds" includes whatever is receivable or received when Pledged Membership Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, proceeds of any indemnity or guaranty payable to Debtor or Secured Party from time to time with respect to any of the Pledged Membership Collateral.

UCC APPROVAL SHEET
** KEEP WITH DOCUMENT **

TRANSACTION TYPE		FEES REMITTED
✓	UO - Original Financing Statement	$20.00
___	UOA - Original Financing Statement With Assignment	$20.00
___	UOTU - Original Financing Statement Transmitting Utility	$20.00
___	UMA - Amendment	$20.00
___	UMDA - Amendment - Debtor Added	$20.00
___	UMDC - Amendment - Debtor Name Change	$20.00
___	UMDD - Amendment - Debtor Deleted	$20.00
___	UMSA - Amendment - Secured Party Added	$20.00
___	UMSC - Amendment - Secured Party Name Change	$20.00
___	UMSD - Amendment - Secured Party Deleted	$20.00
___	UMC - Amendment - Continuation	$20.00
___	UMT - Amendment - Termination	$20.00
___	UMZ - Amendment - Assignment	$20.00
___	UMZP - Amendment - Partial Assignment	$20.00
___	UMCS - Amendment - Correction Statement	$20.00
___	UOMH - Manufactured Home - Original Financing Statement	$20.00
___	UOPF - Public Finance - Original Financing Statement	$20.00
___	Documents Nine (9) Pages or More	$75.00
___	Certified Copies	
___	Plain Copies	

TOTAL FEES: 20



___ Other Change(s)

Code _____

Attention: _____

Mail to Address:

NO FEE TRANSACTION TYPES

___	URC - Copies
___	UNCP - Void - Non-Payment
___	UCC - Cancellation
___	UCR - Reinstatement
___	UCO Departmental Action
___	UCREF - Refund Recordation Tax
___	UCIS - Incorrect ID Number
___	XOVRU - UCC Overrides
___	UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

Cash ___ Check ✓ Credit Card ___

Number of Checks 1

COMMENT(S):

Stamp Work Order and Customer Number HERE

CUST ID:0000838286
WORK ORDER:0000567918
DATE:03-20-2002 09:56 AM
AMT. PAID:$140.00

2

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001927944
WORK ORDER:0001370982
DATE:03-07-2007 09:06 AM
AMT. PAID:$525.00

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
Jamie [redacted]

B. SI

The Corporation Trust Incorporated
300 E. Lombard Street, Suite 1400
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
181112851

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☒ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. ☐ AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of the two boxes.
Also check one of the following three boxes and provide appropriate information in item 6 and/or 7.
☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.
☐ DELETE name: Give record name to be deleted in item 6a or 6b.
☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:
6a. ORGANIZATION'S NAME
Erickson Retirement Communities, LLC
OR
6b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:
7a. ORGANIZATION'S NAME
OR
7b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX
7c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY
USA
7d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 7e. TYPE OF ORGANIZATION | 7f. JURISDICTION OF ORGANIZATION | 7g. ORGANIZATIONAL ID #, if any ☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

RECEIVED
DEPARTMENT OF
ASSESSMENTS & TAXATION
2007 MAR -6 P 3:38

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.
9a. ORGANIZATION'S NAME
Mercantile-Safe Deposit and Trust Company
OR
9b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

10. OPTIONAL FILER REFERENCE DATA
File in Maryland SDAT
Matter No. 890412

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/29/98)

DMEAST #9738687 v1 B6869537S0

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 2 page document on file in this office. DATED: 2/6/07.

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

504-77

UCC APPROVAL SHEET

** EXPEDITED SERVICE ** ** KEEP WITH DOCUMENT **

TRANSACTION TYPE		FEES REMITTED
✓	Expedited Fee	$50.00
___	UO - Original Financing Statement	$25.00
___	UOA - Original Financing Statement With Assignment	$25.00
___	UOTU - Original Financing Statement Transmitting Utility	$25.00
___	UMA - Amendment	$25.00
___	UMDA - Amendment - Debtor Added	$25.00
___	UMDC - Amendment - Debtor Name Change	$25.00
___	UMDD - Amendment - Debtor Deleted	$25.00
___	UMSA - Amendment - Secured Party Added	$25.00
___	UMSC - Amendment - Secured Party Name Change	$25.00
✓	UMSD - Amendment - Secured Party Deleted	$25.00
✓	UMC - Amendment - Continuation	$25.00
___	UMT - Amendment - Termination	$25.00
___	UMZ - Amendment - Assignment	$25.00
___	UMZP - Amendment - Partial Assignment	$25.00
___	UMCS - Amendment - Correction Statement	$25.00
___	UOMH - Manufactured Home - Original Financing Statement	$25.00
___	UOPF - Public Finance - Original Financing Statement	$25.00
___	Documents Nine (9) Pages or More	$75.00
___	Certified Copies	
___	Plain Copies	

TOTAL FEES: $75.00

1000361994420549

RECORDED ON 03/06/2007 AT 03:58 PM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001370982 ACK # 1000361994420549
ORIGINAL FILE NUMBER: 0000000181112851
LIBER: U00504 FOLIO: 0077 PAGES: 0002

_____ Other Change(s)

Code _____

Attention: _____

Mail to Address:

THE CORPORATION TRUST INCORPORATED
300 E LOMBARD ST., SUITE 1400
BALTIMORE MD 21202

NO FEE TRANSACTION TYPES

___ URC - Copies
___ UNCP - Void - Non-Payment
___ UCC - Cancellation
___ UCR - Reinstatement
___ UCO Departmental Action
___ UCREF - Refund Recordation Tax
___ UCIS - Incorrect ID Number
___ XOVRU - UCC Overrides
___ UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

Cash _____ Check ✓ Credit Card _____

Number of Checks 1

COMMENT(S):

Stamp Work Order and Customer Number HERE

CUST ID:0001927944
WORK ORDER:0001370982
DATE:03-07-2007 09:07 AM
AMT. PAID:$525.00

LIBER26044PAGE134

[redacted]

291237
LIBER 26044 PAGE 134
$11.00 MISC UCC REAL ESTATE
$.00
07/09/2002 10:35:16 A.M. RECEIPT# 56435
PAID RECORDED - OAKLAND COUNTY
G.WILLIAM CADDELL, CLERK/REGISTER OF DEEDS

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
Fran Glushakow-Smith, Esquire (410) 528-5508

B. SEND ACKNOWLEDGMENT TO: (Name and Address)
Fran Glushakow-Smith, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202

FST

0201520
LIBER PAGE
$10.00 FINANCING STATEMENT
$.00
07/09/2002 10:35:11 A.M. RECEIPT# 56435
PAID RECORDED - OAKLAND COUNTY
G.WILLIAM CADDELL, CLERK/REGISTER OF DEEDS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: Erickson Retirement Communities, LLC

OR 1b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

1c. MAILING ADDRESS: 701 Maiden Choice Lane | CITY: Baltimore | STATE: MD | POSTAL CODE: 21228 | COUNTRY: USA

1d. TAX ID #: SSN OR EIN: 52-2003375 | ADD'L INFO RE ORGANIZATION DEBTOR | 1e. TYPE OF ORGANIZATION: limited liability co. | 1f. JURISDICTION OF ORGANIZATION: Maryland | 1g. ORGANIZATIONAL ID #, if any: MD W04550497 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

2c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

2d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 2e. TYPE OF ORGANIZATION | 2f. JURISDICTION OF ORGANIZATION | 2g. ORGANIZATIONAL ID #, if any ☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company

OR 3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS: Two Hopkins Plaza | CITY: Baltimore | STATE: MD | POSTAL CODE: 21201 | COUNTRY: USA

4. This FINANCING STATEMENT covers the following collateral:

All assets of Debtor which are now or hereafter located on or affixed to certain real estate owned by Novi Campus, LLC, a Maryland limited liability company of which Debtor is the sole Member, consisting of approximately 102 acres located on Thirteen Mile Road, in the City of Novi, Oakland County, Michigan, which is more particularly described on Exhibit A attached hereto and incorporated by reference herein, or which constitute fixtures under applicable law.

RETURN TO FINANCE DEPT

O.K. - MH

FIN001

10.00

GRECO E104318

21

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) | 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) (optional) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

11.00
4P

8. OPTIONAL FILER REFERENCE DATA
Erickson Retirement Communities, LLC

File with: Land Records of Oakland County, Michigan

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)
UCCNAT- 5/14/01 C T System Online

Bank Of America - CD#13 - Control ID#1133

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME: Erickson Retirement Communities, LLC

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME,SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

11d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any
				☐ NONE

12. ☐ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

12c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers ☐ timber to be cut or ☐ as-extracted collateral, or is filed as a ☒ fixture filing.

14. Description of real estate:

The real estate consists of approximately 102 acres located on Thirteen Mile Road, in the City of Novi, Oakland County, Michigan, which is more particularly described on Exhibit A attached hereto and incorporated by reference herein.

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

Novi Campus, LLC

16. Additional collateral description:

17. Check only if applicable and check only one box.

Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

☐ Debtor is a TRANSMITTING UTILITY

☐ Filed in connection with a Manufactured-Home Transaction — effective 30 years

☐ Filed in connection with a Public-Finance Transaction — effective 30 years

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT ADDENDUM (FORM UCC1Ad) (REV. 07/29/98)

NAT UCC1 - 5449 C T System Online

EXHIBIT A

TO UCC-1 FINANCING STATEMENT
FILED AMONG THE LAND RECORDS OF OAKLAND COUNTY, MICHIGAN

DEBTOR: ERICKSON RETIREMENT COMMUNITIES, LLC

SECURED PARTY: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

DESCRIPTION OF REAL ESTATE

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning. pt of 22-01-300-[001]-013

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3: pt of 22-01-300-[005]-013

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1 500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

PARCEL 4: pt of 22-01-300-[007]-013

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East,

City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

pt of 22-01-300[009]013

CERTIFICATE OF COPY OF RECORD
STATE OF MICHIGAN
COUNTY OF OAKLAND

I, Ruth Johnson, Register of Deeds for Oakland County, certify that I have compared the attached copy with the original record on file, and it is a true and correct transcript of the original record in Liber 40044 Page(s) 134-137
in testimony whereof, I have set my hand and affixed the seal of REGISTER OF DEEDS on 9-21-09.

By: Carolyne A Barnhart
DEPUTY CLERK Carolyne A. Barnhart

Per PA #53, effective 9-6-07

LIBER39305 PG864

RECEIVED
JUN 29 2007
Ruth Johnson Register of Deeds
Oakland County, MI

147150
LIBER 39305 PAGE 864
$9.00 MISC UCC REAL ESTATE
$.00
07/02/2007 08:34:31 A.M. RECEIPT# 68644

PAID RECORDED - OAKLAND COUNTY
RUTH JOHNSON, CLERK/REGISTER OF DEEDS

0701678
LIBER PAGE
$15.00 FINANCING STATEMENT
$.00
07/02/2007 08:34:29 A.M. RECEIPT# 68644
PAID RECORDED - OAKLAND COUNTY

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie Miller (410) 528-5509

B. SEND A

Please return to:
CT, a Wolters Kluwer business
Attn: Charlie Baak
4400 Easton Commons Way
Suite 125
Columbus, OH 43219
CST

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
Land Record Book 26044, page 134 7/9/2 (291737) 02015 20

1b. ☒ This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☒ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. ☐ AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of the two boxes.
Also check one of the following three boxes and provide appropriate information in item 6 and/or 7.
☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. ☐ DELETE name: Give record name to be deleted in item 6a or 6b. ☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:
6a. ORGANIZATION'S NAME
Erickson Retirement Communities, LLC
OR
6b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:
7a. ORGANIZATION'S NAME
OR
7b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX
7c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY
USA
7d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 7e. TYPE OF ORGANIZATION | 7f. JURISDICTION OF ORGANIZATION | 7g. ORGANIZATIONAL ID #, if any ☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

RECEIVED
JUN 29 2007
Ruth Johnson Register of Deeds
Oakland County, MI

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.
9a. ORGANIZATION'S NAME
Mercantile-Safe Deposit and Trust Company
OR
9b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

10. OPTIONAL FILER REFERENCE DATA
File in Oakland County, Michigan Land Records
RETURN TO FINANCE DEPT. Matter No. 890412

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/29/98)
CB 6964017 50
DMEAST #9818485 v1

O.K. - KB

LIBER39305 PG865
LIBER26044PAGE136

EXHIBIT A

TO UCC-1 FINANCING STATEMENT
FILED AMONG THE LAND RECORDS OF OAKLAND COUNTY, MICHIGAN

DEBTOR: ERICKSON RETIREMENT COMMUNITIES, LLC

SECURED PARTY: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

DESCRIPTION OF REAL ESTATE

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning. pt of 22-01-300-001-013

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3: pt of 22-01-300-005-013

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1 500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

PARCEL 4: pt of 22-01-300-007-013

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East,

LIBER39305 PG866

LIBER26044PAGE137

City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.1 4 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

pt of 22-01-300[009]013

CERTIFICATE OF COPY OF RECORD
STATE OF MICHIGAN
COUNTY OF OAKLAND

I, Ruth Johnson, Register of Deeds for Oakland County, certify that I have compared the attached copy with the original record on file, and it is a true and correct transcript of the original record in Liber 39305 Page(s) 864 - 8606
in testimony whereof, I have set my hand and affixed the seal of REGISTER OF DEEDS on 9-21-09.

By: Carolyne A Barnhart
DEPUTY CLERK Carolyne A. Barnhart

Per PA #53, effective 9-6-07

EXHIBIT 7

"Affiliate Funding Guaranty Documents"

1. Funding Guaranty Agreement

2. Funding Guaranty Promissory Note

Document: 1.13

FUNDING GUARANTY AGREEMENT

THIS FUNDING GUARANTY AGREEMENT ("**this Agreement**") is made as of the 13th day of March, 2002, by JOHN C. ERICKSON and NANCY A. ERICKSON, (the "**Ericksons**") residents of West Palm Beach, Florida, SENIOR LIVING LIMITED PARTNERSHIP, a Nevada limited partnership, J & N NEVADA HOLDING, INC., a Nevada corporation, and JCE HOLDING CORP., a Maryland corporation (collectively, the "**Guarantors**") to and for the benefit of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation (the "**Lender**").

RECITALS

The Lender has entered into a Construction Loan Agreement dated as of February 12, 2002 (the "**Loan Agreement**") with Novi Campus, LLC, a Maryland limited liability company (the "**Borrower**") providing for a revolving construction loan in the maximum principal amount of Forty-Six Million Dollars ($46,000,000 (the "**Loan**") for construction of a continuing care retirement community to be known as "Fox Run Village Retirement Community" on certain parcels of land located in Novi, Michigan. Among the Loan Documents referred to in the Loan Agreement is a First Comprehensive Amendment to Loan Documents by and among the Lender, the Borrower and others dated of even date with the Loan Agreement (the "**Comprehensive Amendment**").

This Agreement is being entered into pursuant to the terms of Section 5 of the Comprehensive Amendment and in consideration of the agreements by the Lender set forth therein. The Guarantors will materially benefit from the Lender's funding of the Loan on the terms set forth in Section 5 of the Comprehensive Amendment and are therefore willing to enter into this Agreement in order to induce the Lender to enter into and perform its agreements set forth in the Loan Documents on the amended terms provided for in Section 5 of the Comprehensive Amendment.

Capitalized terms used in this Agreement without definition shall have the meanings ascribed to such terms in the Loan Agreement.

NOW, THEREFORE, for and in consideration of the foregoing, the benefits to be derived by the Guarantors from the Lender's funding of the Loan on the terms set forth in Section 4 hereof, and other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged by the Guarantors, the Guarantors hereby agrees as follows:

Section 1. Funding Guaranty.

1.1. The Guarantors hereby absolutely, irrevocably and unconditionally guarantee to Lender the funding on June 30, 2002 of subordinated loans by the Guarantors, to and in favor of the Borrower in an amount equal to the difference between Seventeen Million Dollars ($17,000,000) and the amount of Borrower's demonstrated equity invested in the Project on that date. The amount, if any, for which the Guarantors are obligated under this Agreement is hereinafter called the "**Guaranteed Obligation**".

Notwithstanding the foregoing, the Guarantors shall reconcile the amount of equity invested in the Project on June 30, 2002 by not later than July 15, 2002, by which date (the "**Payment Date**") the Guaranteed Obligation shall be paid.

1.2. If, as and when the Guaranteed Obligation is required to be funded under this Agreement, the Guarantors agree to fund the Guaranteed Obligation directly to Lender. The Borrower hereby joins in this Agreement to evidence its acknowledgment and consent to the Guaranteed Obligation being funded directly to Lender.

1.3. Upon the Guarantors request, or if the Guarantors have failed to fund the Guaranteed Obligation by the Payment Date, the Lender may elect, but shall be under no obligation, to lend amounts to the Guarantors sufficient to fund the Guaranteed Obligation, and if the Lender so elects, all advances made by the Lender as are necessary to fund the Guaranteed Amount shall constitute a loan by the Lender to the Guarantors and shall be evidenced by and shall be repaid in accordance with the terms of the Funding Guaranty Promissory Note of even date herewith in the face amount of Seven Million Dollars ($7,000,000) made payable by the Guarantors to the Lender (the "**Funding Guaranty Note**"). All sums advanced under the Funding Guaranty Promissory Note shall be applied in accordance with paragraph 1.2 hereof. The face amount of the Funding Guaranty Note has been determined by the parties as the difference, on the date hereof, between Seventeen Million Dollars ($17,000,000) and the demonstrated equity of the Borrower invested in the Project on this date, which the parties acknowledge and agree totals not less than Ten Million Dollars ($10,000,000).

1.4. Any sums which are funded by the Guarantors directly to the Lender under paragraph 1.2 above, or which are advanced by the Lender as a loan to the Guarantors under paragraph 1.3 above, shall be used, first, to reduce the outstanding principal balance of the Loan, and thereafter shall be disbursed by the Lender to the Borrower to pay qualified costs of the Project approved by the Lender before any additional advances are made by the Lender under the Loan Agreement. Costs of the Project shall be deemed qualified if they constitute costs for which the Lender would, following satisfaction of Borrower's equity requirements, otherwise be obligated to advance Loan proceeds under the Loan Agreement. Furthermore, all such sums shall constitute subordinated loans by the Guarantors to and in favor of the Borrower, repayment of which shall be subordinate to repayment of the Loan and all other obligations owing by the Borrower to the Lender under the Loan Documents on the terms set forth in the Subordination Agreement of even date herewith executed by the Guarantors in favor of the Lender (the "**Subordination Agreement**").

Section 2. Waivers. The Guarantors hereby waive (a) notice of the execution and delivery of the Loan Documents, (b) notice of the creation of the Guaranteed Obligation, (c) notice of Lender's acceptance of and reliance on this Agreement, and (d) demand for performance of the Guaranteed Obligation and notice of non-payment and protest of non-payment of the Guaranteed Obligation (except as may be required under this Agreement and/or the Loan Documents).

Section 3. Representations and Warranties. The Guarantors represent and warrant to Lender that (a) the Guarantors have examined, or have had an opportunity to examine, the Loan Documents, (b) Guarantors have a material financial interest in the Borrower and the success of the Project will result in financial benefits to the Guarantors, and (c) the financial statements previously given by the Guarantors to the Lender are true and accurate, and properly represent the financial condition of the Guarantors as of the date of such statements.

Section 4. Covenants. The Guarantors warrant, covenant and agree that during the term of this Agreement they will provide to the Lender (a) prompt written notice of any material adverse change in the financial circumstances or business projects of the Guarantors, and (b) for the Guarantors other than the Ericksons, within twenty-one (21) days after the end of each fiscal quarter of the Guarantors, a balance sheet and statements of income and retained earnings, and a statement of cash flows (as applicable) for the quarter then ended, prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year (or containing disclosure of the effect on financial position or results of operations of any changes in the application of generally accepted accounting principles during the year), certified as to accuracy by an authorized officer of such Guarantors acceptable to the Lender, and (c) for the Ericksons, on or before January 31, of each year a personal financial statement as of the prior December 31, on a form approved by the Lender, and within ten (10) days after filing thereof, copies of all state and federal tax returns.

Section 5. Default. The term "**Event of Default**" as used in this Agreement shall mean (a) the failure of Guarantors to pay all or any part of the Guaranteed Obligation to be paid by Guarantors under the provisions of this Agreement within five (5) days after written demand by the Lender, (b) any failure of the Guarantors to perform any other obligations under this Agreement which is not cured within any applicable grace period provided for herein, and/or (c) any material misrepresentation by the Guarantors in connection with this Agreement, including but not limited to any material inaccuracy in any financial statements provided by the Guarantors to the Lender.

Section 6. Rights and Remedies.

6.1. Upon the occurrence of an Event of Default under the provisions of this Agreement, Lender shall be entitled to exercise any and all remedies described herein or available under applicable law or under the Loan Documents (including this Agreement and the documents referred to herein), including but not limited to: (a) specific performance of the Guarantors' obligations under this Agreement, (b) damages for breach of this Agreement, including all costs of enforcement, (c) refusal to fund additional advances under the Loan until the Borrower has invested Seventeen Million Dollars ($17,000,000) in equity in the Project, and/or (d) exercise of any remedies, including confession of judgment, provided for in the Funding Guaranty Note.

6.2. Each and every Event of Default hereunder shall give rise to a separate cause of action hereunder, and separate actions may be brought hereunder as each cause of action arises.

Section 7. No Waiver. No conduct, custom or course of dealing shall be effective to waive, amend, modify or release this Agreement. No modification or waiver of any of the provisions of this Agreement shall be effective unless it is in writing and signed by Lender and the Guarantors, and any such waiver shall be effective only in the specific instance and for the specific purpose for which it is given.

Section 8. Notices. All notices, demands or requests which any party may be required or may desire to give (a) shall be in writing, and (b) until otherwise specified in a written notice by the respective parties or any of them, shall be sent to the parties at the respective addresses given below. Each such notice, demand or request shall be deemed to have been given (a) upon delivery or refusal to accept delivery, as shown in the return receipt, if sent as certified or registered mail in the United States mails, postage prepaid, return receipt requested, or (b) on the next business day after being deposited (with instructions to deliver it on such business day) with a reputable overnight courier service, or (c) (if such party's receipt is acknowledged in writing) on its actual delivery to such party by other means. The parties' initial notice addresses are as follows:

If to any of the Guarantors:

[Name of Guarantor]
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: Chief Operating Officer

with copies to:

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

If to Lender:

Mercantile-Safe Deposit and Trust Company
2 Hopkins Plaza
Baltimore, Maryland 21201
Attn: Bruce D. McLean,
Senior Vice President

with a copy to:

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202

Section 9. Consent to Jurisdiction. With respect to any suit, action or proceeding arising out of or relating to this Agreement, the Guarantors and Lender irrevocably (a) consent and submit to the jurisdiction and venue of any state court sitting in Baltimore City or Baltimore County, Maryland and/or, (ii) the United States District Court for the District of Maryland, (b) waive, to the fullest extent permitted by law, any objection that the Guarantors or the Lender may have to the venue of any such suit, action or proceeding, or that any such suit, action or proceeding has been brought in an inconvenient forum, and (c) consent to the service of process in any such suit, action or proceeding by the mailing of copies of such process to the Guarantors by certified or registered mail at Guarantors' address set forth herein for the purpose of giving notice.

Section 10. Waiver of Jury Trial. **THE GUARANTORS AND LENDER HEREBY VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THE GUARANTEED OBLIGATION AND LIABILITIES OF THE GUARANTORS HEREUNDER, THE GUARANTEED OBLIGATION, THIS AGREEMENT OR ANY OF THE LOAN DOCUMENTS.**

Section 11. Continuing Agreement. This Agreement shall be a continuing one and shall be binding upon the Guarantors regardless of how long before or after the date hereof the Guaranteed Obligation was or is incurred, and all representations, warranties, covenants, undertakings, obligations, consents, waivers and agreements of the Guarantors herein shall survive the date of this Agreement and shall continue in full force and effect until the earlier of (a) the date on which the Borrower's equity invested in the Project, as demonstrated to and approved by the Lender in writing, equals at least Seventeen Million Dollars ($17,000,000), or (b) the date on which Guaranteed Obligation has been paid over to the Lender, free and clear of all claims of creditors of the Guarantors, to be applied pursuant to the terms of this Agreement. This Agreement shall continue to be effective, or be reinstated, as the case may be, if at any time any payment, or any part thereof, of the Guaranteed Obligation is rescinded or must otherwise be restored or returned by Lender for any reason, as though such payment had not been made and irrespective of whether such payment is returned to the party who originally made it or to some other party.

Section 12. Miscellaneous. All amounts payable by the Guarantors hereunder to Lender shall be paid in lawful money of the United States of America in good funds. The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect the validity, legality or enforceability of any other provisions of this Agreement which shall remain

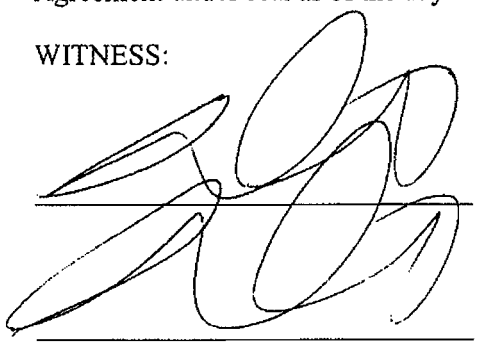
effective. This Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Maryland, both in interpretation and performance. Section, subsection, paragraph, and subparagraph headings in this Agreement are included herein for convenience of reference only, and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

Section 13. Joint and Several Obligations. The obligations of the Guarantors under this Agreement shall be joint and several obligations.

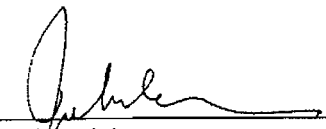
[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the Guarantors have executed and delivered this Agreement under seal as of the day and year first written above.

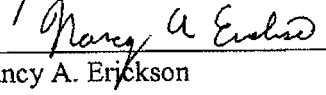
WITNESS:



GUARANTORS:



_____(SEAL)
John C. Erickson



_____(SEAL)
Nancy A. Erickson

SENIOR LIVING LIMITED PARTNERSHIP

_____

By:_____(SEAL)
Paul L. Erickson, Trustee of the Irrevocable Trust of John C. Erickson u/a dated December 31, 1997, Its General Partner



J & N NEVADA HOLDING, INC.

By:_____(SEAL)
John C. Erickson,
President



JCE HOLDING CORP.

By:_____(SEAL)
John C. Erickson,
President

Bank Of America - CD#13 - Control ID#1133

IN WITNESS WHEREOF, the Guarantors have executed and delivered this Agreement under seal as of the day and year first written above.

WITNESS:

GUARANTORS:

_____

_____(SEAL)
John C. Erickson

_____

_____(SEAL)
Nancy A. Erickson

SENIOR LIVING LIMITED PARTNERSHIP

_____

By: _____(SEAL)
Paul L. Erickson, Trustee of the Irrevocable Trust of John C. Erickson u/a dated December 31, 1997, Its General Partner

J & N NEVADA HOLDING, INC.

_____

By:_____(SEAL)
John C. Erickson,
President

JCE HOLDING CORP.

_____

By:_____(SEAL)
John C. Erickson,
President

ACKNOWLEDGMENT AND CONSENT

Novi Campus, LLC, a Maryland limited liability company, hereby joins in the foregoing Funding Guaranty Agreement for the purpose of acknowledging and consenting to the provisions thereof.

IN WITNESS WHEREOF, the undersigned has executed this Acknowledgment and Consent as of this 13th day of March, 2002.

WITNESS / ATTEST:

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Member

By: _____ (SEAL)
Jeffrey A. Jacobson
Senior Vice President

Document: 1.14

March 13, 2002 $7,000,000

FUNDING GUARANTY PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned (hereinafter collectively referred to as the "Borrowers") jointly and severally promise to pay to the order of Mercantile-Safe Deposit and Trust Company (the "Lender") at the Lender's offices at Two Hopkins Plaza, Baltimore, Maryland, 21201 or at such other place as the holder of this Note may from time to time designate, the principal sum of Seven Million Dollars ($7,000,000) (or so much thereof as has been advanced or readvanced hereunder from time to time in connection with the Funding Guaranty hereinafter described) together with interest thereon at the rate hereinafter provided and any and all other sums which may be owing to the holder of this Note by the Borrowers, ON DEMAND, or in any event no later than June 30, 2003. The following terms shall apply to this Note:

1. Interest Rate. Interest shall accrue on all amounts outstanding under this Note from time to time at the floating rate obtained by adding one quarter of one percent (1/4%) to the prime rate of interest declared by the Lender from time to time, such rate to be adjusted on any date on which a change in the Lender's prime rate is effective. The prime rate as used herein refers to that interest rate set by the Lender from time to time as an interest rate base for borrowings. The prime rate is one of several interest rate bases used by the Lender. The Lender lends at rates above and below the prime rate

2. Repayment. Interest accrued on the outstanding balance hereof shall be paid monthly on the first day of each calendar month until the Bank makes demand for repayment of all principal hereunder, at which time the entire outstanding principal amount hereof, together with any accrued and unpaid interest, as well as any other fees and charges due hereunder, shall be due and payable in full.

3. Calculation of Interest. Interest shall be calculated on the basis of a three hundred sixty (360) days per year factor applied to the actual days on which there exists an unpaid principal balance. Interest shall be calculated by the Lender and billed to the Borrower for each appropriate period; provided, however, that failure of the Lender to bill the Borrower shall not relieve the Borrower's payment obligations hereunder.

4. Application of Payments. All payments made hereunder shall be applied first to late fees or other sums owing to the holder, next to accrued interest, and then to principal, or in such other order of application as the holder hereof may elect.

5. Prepayment. The Borrowers may prepay this Note in whole or in part at any time or from time to time without premium or penalty.

6. Late Payment Fee. Should any payment of interest, or principal and interest, due hereunder be received by the holder of this Note more than ten (10) days after its due date, the

Borrower shall pay a late payment fee equal to five percent (5%) of the amount then due for each month or portion of a month until paid.

7. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, including any payment due upon DEMAND, the Lender may raise the rate of interest accruing on the disbursed unpaid principal balance by two (2) percentage points above the rate of interest otherwise applicable (the "Default Interest Rate") independent of whether the Lender elects to demand payment of the entire unpaid principal balance hereof as a result of such default.

8. Confession of Judgment; Jurisdiction and Venue. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, including any payment due upon DEMAND, each of the Borrowers authorizes any attorney admitted to practice before any court of record in the United States or any clerk of any court of record to appear for it and confess judgment on behalf of the Borrowers against the Borrowers in favor of the Lender for and in the full amount due on this Note plus attorneys' fees of ten percent (10%) of such amount up to a maximum for attorneys' fees of Three Hundred Thousand Dollars ($300,000) (but this provision shall not limit the obligation of the Borrowers to pay all reasonable attorneys' fees incurred by the Lender). The Lender agrees that in attempting to satisfy or enforce any judgment by confession obtained against the Borrowers in connection with this Note, the Lender shall not seek or demand, solely with respect to attorneys' fees incurred by the Lender in connection with this Note, any amounts in excess of the actual amount of reasonable attorneys' fees charged or billed to the Lender. The Lender agrees not to sell or assign any judgment obtained pursuant to this Section 9 unless the assignee agrees to be bound by the provisions of the immediately preceding sentence. In any action brought by the Lender under this Note, Borrower consents to the exercise of personal jurisdiction over it by the courts of the State of Maryland and agrees that venue shall be proper in any County of the State of Maryland or in Baltimore City, in addition to any other court where venue may be proper. Each of the Borrowers waives and releases, to the extent permitted by law, all errors and all rights of exemption, appeal, stay of execution, inquisition and extension upon any levy on real estate or personal property to which the Borrowers may otherwise be entitled under the laws of the United States of America or of any State or Possession of the United States of America now in force or which may hereafter be passed, as well as the benefit of any and every statute, ordinance, or rule of court which may be lawfully waived conferring upon the Borrowers any right or privilege of exemption, stay of execution, or supplementary proceedings, or other relief from the enforcement or immediate enforcement of a judgment or related proceedings on a judgment; provided however, that the foregoing waiver does not extend to the Borrowers' rights under Rule 2-611 of the Maryland Rules of Civil Procedure to file a motion to open, vacate or modify a judgment by confession in good faith and within the timeframes permitted by such Rule, which rights the Borrowers do not waive. The authority and power to appear for and enter judgment against the Borrowers shall be exercisable concurrently in one or more jurisdictions and shall not be exhausted or extinguished by one or more exercises thereof, or by any imperfect exercise thereof or by any judgment entered pursuant thereto. Such authority and power may be exercised on one or more occasions, from time to time, in the same or different jurisdictions, as often as the Lender shall deem necessary or desirable.

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

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

11. Waiver of Protest. The Borrowers, and all parties to this Note, whether maker, indorser, or guarantor, waive presentment, notice of dishonor and protest.

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

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

14. Commercial Loan. The Borrowers warrants that this Note and the indebtedness evidenced hereby is the result of a "commercial loan" as defined in Sections 12-101(c) and 12-103(e) of the Commercial Law Article of the Annotated Code of Maryland.

15. Waiver. No waiver of any power, privilege, right or remedy (hereinafter collectively referred to as "Rights") hereunder shall be effective unless in writing. No delay on the part of the Lender in exercising any Rights hereunder, or under any other instrument executed by the Borrowers or any other party in connection herewith shall operate as a waiver thereof, and no single or partial exercise of any such Rights (including acceptance of late payments by the Lender) shall preclude other or further exercise thereof, or the exercise of any other Rights. Waiver by the Lender of any default by the Borrowers, or any other party, shall not constitute a waiver of any subsequent defaults, but shall be restricted to the default so waived. If any provision or part of any provision of this Note shall be contrary to any law which the Lender

might seek to apply or enforce, or should otherwise be defective, the other provisions, or part of such provisions, of this Note shall not be affected thereby, but shall continue in full force and effect. All Rights of the Lender hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all Rights given hereunder or in or by any other instrument or any laws now existing or hereafter enacted.

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

If to the Lender:

Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21201
Attention: Bruce D. McLean,
Senior Vice President

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

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, Suite 1900
Baltimore, Maryland 21202

If to any of the Borrowers:

[Name of Borrower]
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: Chief Operating Officer

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

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

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

addressed as above provided, except notice of change of address shall be deemed served when received.

17. Choice of Law. This Note and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the granting, perfection and enforcement of security interests in collateral, the law of the jurisdiction in which the collateral is located (or which otherwise applies to security interests in collateral) shall govern.

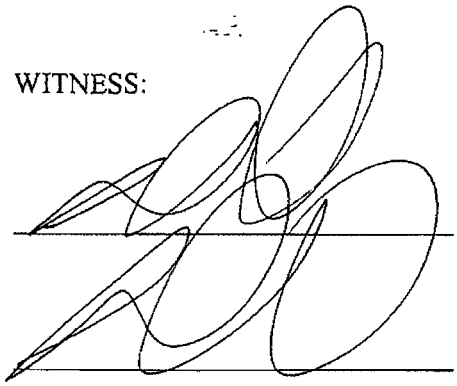
18. Invalidity of Any Part. If any provision or part of any provision of this Note, or the application thereof to any facts or circumstances, shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions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

19. Joint and Several Obligations. All obligations of the Borrowers under this Note shall be joint and several obligations.

20. Funding Guaranty. This Note is executed pursuant to the terms of a Funding Guaranty Agreement of even date herewith (the "Funding Guaranty") executed by the Borrowers in favor of the Lender. The Bank shall not be obligated to advance funds under this Note, but any amounts so advanced shall be subject to the terms of the Funding Guaranty.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

WITNESS:



BORROWERS:

_____(SEAL)
John C. Erickson

_____(SEAL)
Nancy A. Erickson

SENIOR LIVING LIMITED PARTNERSHIP

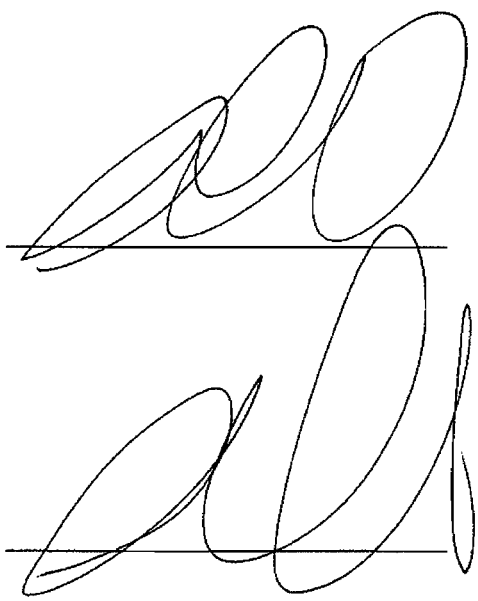
By:_____(SEAL)
Paul L. Erickson, Trustee of the Irrevocable Trust of John C. Erickson u/a dated December 31, 1997, Its General Partner

J & N NEVADA HOLDING, INC.

By:_____(SEAL)
John C. Erickson,
President

JCE HOLDING CORP.

By:_____(SEAL)
John C. Erickson,
President



Bank Of America - CD#13 - Control ID#1133

WITNESS:

BORROWERS:

_____ (SEAL)
John C. Erickson

_____ (SEAL)
Nancy A. Erickson

SENIOR LIVING LIMITED PARTNERSHIP

By: _____ (SEAL)
Paul L. Erickson, Trustee of the Irrevocable Trust of John C. Erickson u/a dated December 31, 1997, Its General Partner

J & N NEVADA HOLDING, INC.

By: _____ (SEAL)
John C. Erickson,
President

JCE HOLDING CORP.

By: _____ (SEAL)
John C. Erickson,
President

EXHIBIT 6

"Erickson Construction Subordination Documents"

1. **"Erickson Construction Subordination":**
   Subordination Agreement - Creditor: Erickson Construction, LLC

2. UCC-1 Financing Statement Recorded At Maryland State Department Of Assessments And Taxation - Debtor: Erickson Construction, LLC

Document: 3.4

SUBORDINATION AGREEMENT

(Construction Manager)

THIS SUBORDINATION AGREEMENT (the "**Agreement**") is made as of the 12th day of February, 2002 in favor of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation (the "**Lender**"), by NOVI CAMPUS, LLC, a Maryland limited liability company (the "**Borrower**"), ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company ("**Erickson**"), ERICKSON GROUP, LLC, a Maryland limited liability company (with Erickson, hereinafter collectively referred to as the "**Guarantors**"), and ERICKSON CONSTRUCTION, LLC, a Maryland limited liability company (the "**Creditor**").

RECITALS

A. The Borrower has requested loans up to $46,000,000 (collectively, the "**Loan**") from the Lender, pursuant to the terms of a Construction Loan Agreement between the Lender and the Borrower dated of even date herewith (the "**Loan Agreement**"). The Loan is evidenced by a Revolving Loan Note from the Borrower dated of even date herewith (the "**Note**"), is guaranteed by the Guarantors pursuant to a Guaranty Agreement of even date herewith (the "**Guaranty**") and is secured by, among other things, a Mortgage (the "**Mortgage**") upon property located in Oakland County, Michigan (the "**Land**") owned by the Borrower. The Borrower intends to use the proceeds of the Loan to fund the construction of a retirement community (the "**Retirement Community**") on the Land. The Land is leased to Fox Run Village, Inc., a Maryland non-profit corporation ("**FRVI**") by the Borrower, and FRVI has entered into an agreement with Erickson for management of the Retirement Community. Construction management services with respect to the Retirement Community will be provided by the Creditor pursuant to an agreement with Erickson. As used in this Agreement, (i) the term "**Lender's Obligations**" means all past, present, and future indebtedness, liabilities, and obligations of any nature whatsoever of the Borrower or any of the Guarantors to the Lender in connection with the Loan pursuant to the terms of the Loan Agreement, the Note, the Guaranty and the "Loan Documents"; and (ii) the term "**Loan Documents**" shall have the meaning set forth in the Loan Agreement, and shall include, without limitation, the Loan Agreement, the Note, the Guaranty and the Mortgage. Capitalized terms not defined herein shall have meanings set forth in the Loan Agreement.

B. The Creditor, the Borrower and the Guarantors have various contracts, leases, loans, obligations and credit arrangements among themselves. As used in this Agreement, (i) the term "**Subordinated Indebtedness**" means all past, present and future indebtedness, liabilities, and obligations of any nature whatsoever, whether characterized as debt, equity or otherwise, and including any and all distributions, dividends, returns of capital, preferred equity, fees, loan repayments or any other payments of any kind owing (or otherwise to be made) by the Borrower or any of the Guarantors to the Creditor, whether as a member or otherwise; and (ii) the term

"**Subordinated Documents**" means collectively any loan agreement, security agreement, deed of trust, mortgage, lease, collateral pledge agreement, stock pledge agreement, assignment, promissory note, guaranty, operating agreement or any other instrument or agreement previously, simultaneously, or hereafter executed and delivered by the Borrower, or any other person as evidence of, security for, guarantee for, or in connection with, the Subordinated Indebtedness.

C. As a condition of making the Loan, the Lender has required that the Creditor agrees to subordinate its rights under the Subordinated Documents in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Payment Subordination. Any and all amounts or claims of any kind or description now or hereafter owing to the Creditor by the Borrower and/or any of the Guarantors under the Subordinated Documents shall be subordinate to any and all amounts or claims of any kind or description now or hereafter owing to the Lender under the Loan Documents, and the Creditor agrees that all claims of Lender shall be paid in full before any payment may be made on all or any portion of the Subordinated Indebtedness; provided, however, that so long as (a) no Default has occurred and is continuing under the Loan Documents, and (b) no Event of Default has occurred under the Loan Documents, and except as may be otherwise prohibited in the Loan Agreement, the Borrower may (i) make payments when due in accordance with such of the Subordinated Documents listed on Exhibit A which have been approved by the Lender and any others as may be reviewed and approved by the Lender and (ii) make payments to the Creditor for services rendered in the ordinary course of business, and which are not reflected in Subordinated Documents which have been reviewed and approved by the Lender, provided such services are rendered at arms-length charges. Upon the occurrence of a Default which is continuing under the Loan Documents, or upon the occurrence of an Event of Default under the Loan Documents, the Creditor agrees not to bring or take any action to enforce any claim or claims under the Subordinated Documents or to apply any security now or hereafter existing or to sue upon or collect or receive payment of, and the Borrower and the Guarantors agree not to pay to the Creditor, any such claim or claims. All sums received by the Creditor from Borrower or the Guarantors following the occurrence of a Default under the Loan Documents, including (x) payments received from the Borrower and/or the Guarantors under the Subordinated Documents, and/or (y) proceeds realized from the Creditor's exercise of its remedies under the Subordinated Documents, shall be delivered to the Lender to be held by the Lender, if delivered prior to the occurrence of a Event of Default, until an Event of Default has occurred under the Loan Documents, and after the occurrence of an Event of Default to be applied first to the Lender's Obligations; provided that if any sums are delivered to the Lender prior to the cure of a curable Default under the Loan Documents, the Lender shall return such funds to the party entitled thereto after such Default has been cured in accordance with the terms of the Loan Documents and unless an Event of Default or Event of Default shall have occurred in the interim.

2. Lien Subordination. The Creditor further agrees that the Subordinated Documents and all liens and security interests created thereby are and shall be subordinate and

inferior to the Loan Documents and all liens and security interests created thereby in favor of the Lender.

3. Collateral Assignment. For the sole purpose of securing the performance by the Creditor of the provisions of this Agreement, the Creditor assigns, pledges, and grants to the Lender a security interest in the Subordinated Indebtedness and all proceeds thereof and in the Subordinated Documents. Upon the request of the Lender, the Creditor shall endorse, assign, and deliver to the Lender in a manner acceptable to the Lender all notes, instruments, and agreements evidencing, securing, guaranteeing, or made in connection with the Subordinated Indebtedness. In the event of the failure of the Creditor to make any such endorsement, assignment, or delivery, the Lender, or any of its officers or employees on behalf of the Lender, is hereby appointed attorney-in-fact of the Creditor and is irrevocably authorized to make the same. The foregoing appointment shall be deemed to be coupled with an interest and shall survive the death or disability of the Creditor.

4. Primacy of the Lender's Claim as Against the Creditor. In any insolvency, receivership, bankruptcy, liquidation, or reorganization proceeding, or any other proceeding, whether voluntary or involuntary, by or against the Borrower or any of the Guarantors under any bankruptcy or insolvency law or other laws relating the relief of debtors, the Lender's claims against the assets of the Borrower and the Guarantors shall be paid in full before any payment is made by or on behalf of the Borrower or any of the Guarantors to the Creditor. The Creditor, the Borrower and the Guarantors agree that the Lender may collect the Creditor's claims directly from any trustee appointed in such proceeding. The Creditor agrees to furnish all assignments, powers or other documents requested by the Lender to facilitate such direct collection by the Lender.

5. Collection of Claims of the Creditor. The Creditor agrees to pay over to the Lender on account of the claim or claims of the Lender against the Borrower and the Guarantors any funds that may be received by the Creditor from the Borrower and/or the Guarantors, or for or on behalf of the Borrower and/or the Guarantors, at any time the Creditor is not allowed to receive and hold the same under Section 1 of this Agreement. The Creditor further agrees not to sell, assign, transfer, or endorse any of its claims under the Subordinated Documents or any of its interests in and to the Subordinated Indebtedness to anyone without the prior written consent of the Lender, and not to join in any petition of bankruptcy or any assignment for the benefit of creditors, or any creditors' agreements, or to take any lien or security on any of the Borrower's or Guarantors' property at any time (other than any liens or security taken as of the date hereof).

6. Continuance of Agreement. This Subordination Agreement and the obligations of the Creditor, the Borrower and the Guarantors and the rights and privileges of the Lender hereunder shall continue until payment in full of all amounts due under the Loan Documents.

7. Waiver. The Lender shall have uncontrolled power and discretion, without notice to the Creditor, to deal in any manner with any indebtedness, liability, interest, costs and expenses payable by the Borrower and/or the Guarantors to the Lender and any security and guarantees therefor, including but not limited to release, surrender, extension,

renewal, acceleration, compromise, or substitution. The Creditor hereby waives and agrees not to assert against the Lender any rights which a guarantor or surety could exercise, but nothing in this Agreement shall cause the Creditor to be deemed a guarantor or surety.

8. Prepayment; Revision of Payment Terms. The Creditor shall not accept any prepayment, in whole or in part, of any amounts due to it in connection with the Subordinated Indebtedness and shall not revise the payment terms under the Subordinated Documents without the prior written consent of the Lender.

9. Notice. The Creditor agrees to notify the Lender within ten (10) days after the occurrence of any breach or default under the Subordinated Documents.

10. Insolvency. The insolvency or bankruptcy of the Borrower or any of the Guarantors shall not affect this Subordination Agreement and the same shall remain in full force and effect and shall constitute an assignment by the Creditor to the Lender of any funds or property payable to the Creditor from the Borrower's and/or the Guarantors' assets not previously assigned to the Lender.

11. Effect of Agreement. To the extent that any of the provisions contained herein are inconsistent with any provisions of the Subordinated Documents, the provisions contained in this Subordination Agreement shall govern.

12. Maryland Law. This Subordination Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the granting, perfection and enforcement of security interest in collateral, the law of the jurisdiction where the collateral is located (or which otherwise applies to security interest in the collateral) shall govern.

13. Counterparts. This document may be executed in Counterparts.

IN WITNESS WHEREOF, and intending to be legally bound, the parties have executed this Subordination Agreement as of the date set forth above.

WITNESS:

LENDER:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____ (SEAL)
Bruce D. McLean,
Senior Vice President

BORROWER:

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Member

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and Chief Operating Officer

GUARANTORS:

ERICKSON RETIREMENT COMMUNITIES, LLC

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and Chief Operating Officer

ERICKSON GROUP, LLC

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President

CREDITOR:

ERICKSON CONSTRUCTION, LLC

By: _____ (SEAL)
Andrew V. Aldi,
President

EXHIBIT A

"Subordinated Documents which have been approved by the Lender"

1. Construction Management Agreement Between Erickson Retirement Communities, LLC and Erickson Construction, LLC dated February 12th, 2002.

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0000830286
WORK ORDER:0000567918
DATE:03-20-2002 09:55 AM
AMT. PAID:$140.00

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Fran Glushakow-Smith, Esquire (410) 528-5508

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Fran Glushakow-Smith, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 19th Floor
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: Erickson Construction, LLC

OR 1b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

1c. MAILING ADDRESS: 701 Maiden Choice Lane | CITY: Baltimore | STATE: MD | POSTAL CODE: 21228 | COUNTRY: USA

1d. TAX ID #: SSN OR EIN: 52-2012727 | ADD'L INFO RE ORGANIZATION DEBTOR | 1e. TYPE OF ORGANIZATION: limited liability co. | 1f. JURISDICTION OF ORGANIZATION: Maryland | 1g. ORGANIZATIONAL ID #, if any: MD W04591137 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

2c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

2d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 2e. TYPE OF ORGANIZATION | 2f. JURISDICTION OF ORGANIZATION | 2g. ORGANIZATIONAL ID #, if any ☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company

OR 3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS: Two Hopkins Plaza | CITY: Baltimore | STATE: MD | POSTAL CODE: 21201 | COUNTRY: USA

4. This FINANCING STATEMENT covers the following collateral:

All past, present and future indebtedness, liabilities, and obligations of any nature whatsoever, whether characterized as debt, equity or otherwise, and including any and all distributions, dividends, returns of capital, preferred equity, fees, loan repayments or any other payments of any kind owing (or otherwise to be made) by Novi Campus, LLC, a Maryland limited liability company (the "Borrower"), or Erickson Retirement Communities, LLC, a Maryland limited liability company ("ERC") and Erickson Group, LLC, a Maryland limited liability company ("EG", and, together with ERC, the "Guarantors") to the Debtor, whether as a member or otherwise (collectively, the "Subordinated Indebtedness") and all proceeds thereof and in any loan agreement, security agreement, deed of trust, mortgage, lease, collateral pledge agreement, stock pledge agreement, assignment, promissory note, guaranty, operating agreement or any other instrument or agreement previously, simultaneously, or hereafter executed and delivered by the Borrower, or any other person as evidence of, security for, guarantee for, or in connection with, the Subordinated Indebtedness (collectively, the "Subordinated Documents").

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) | 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA
File with: State Department of Assessments and Taxation of Maryland

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)
UCCNAT- 5/14/01 C T System Online

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 2 page document on file in this office. DATED: 3-20-02

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: [signature], Custodian

This stamp replaces our previous certification system. Effective: 6/95

205-976

UCC APPROVAL SHEET
** KEEP WITH DOCUMENT **

TRANSACTION TYPE		FEES REMITTED
✓	UO - Original Financing Statement	$20.00
___	UOA - Original Financing Statement With Assignment	$20.00
___	UOTU - Original Financing Statement Transmitting Utility	$20.00
___	UMA - Amendment	$20.00
___	UMDA - Amendment - Debtor Added	$20.00
___	UMDC - Amendment - Debtor Name Change	$20.00
___	UMDD - Amendment - Debtor Deleted	$20.00
___	UMSA - Amendment - Secured Party Added	$20.00
___	UMSC - Amendment - Secured Party Name Change	$20.00
___	UMSD - Amendment - Secured Party Deleted	$20.00
___	UMC - Amendment - Continuation	$20.00
___	UMT - Amendment - Termination	$20.00
___	UMZ - Amendment - Assignment	$20.00
___	UMZP - Amendment - Partial Assignment	$20.00
___	UMCS - Amendment - Correction Statement	$20.00
___	UOMH - Manufactured Home - Original Financing Statement	$20.00
___	UOPF - Public Finance - Original Financing Statement	$20.00
___	Documents Nine (9) Pages or More	$75.00
___	Certified Copies	
___	Plain Copies	

TOTAL FEES: 20

NO FEE TRANSACTION TYPES

___ URC - Copies
___ UNCP - Void - Non-Payment
___ UCC - Cancellation
___ UCR - Reinstatement
___ UCO Departmental Action
___ UCREF - Refund Recordation Tax
___ UCIS - Incorrect ID Number
___ XOVRU - UCC Overrides
___ UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

Cash ___ Check ✓ Credit Card ___

Number of Checks 1

COMMENT(S):

10003619866789430

RECORDED ON 03/19/2002 AT 11:27 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0000567918 ACK # 10003619866789430
ORIGINAL FILE NUMBER: 00000000181112857
LIBER: U00205 FOLIO: 0976 PAGES: 0002
RECORDING FEE: 20.00
RECORDATION TAX: 0.00
EXPEDITED FEE: 0.00

___ Other Change(s)

Code ___

Attention: ___

Mail to Address:

Stamp Work Order and Customer Number HERE

CUST ID:0000838286
WORK ORDER:0000567918
DATE:03-20-2002 09:56 AM
AMT. PAID:$140.00

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001927944
WORK ORDER:0001370982
DATE:03-07-2007 09:06 AM
AMT. PAID:$525.00

2

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NA[illegible]
Jarrd
B. SI

The Corporation Trust Incorporated
300 E. Lombard Street, Suite 1400
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
181112857

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☒ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. ☐ AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of the two boxes.
Also check one of the following three boxes and provide appropriate information in item 6 and/or 7.
☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.
☐ DELETE name: Give record name to be deleted in item 6a or 6b.
☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

OR	6a. ORGANIZATION'S NAME Erickson Construction, LLC			
	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

OR	7a. ORGANIZATION'S NAME				
	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME		SUFFIX
7c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY USA

7d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7G. ORGANIZATIONAL ID #, if any
				☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

RECEIVED
2007 MAR -6 P 3:55
DEPARTMENT OF ASSESSMENTS & TAXATION

9. NAME OF SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

OR	9a. ORGANIZATION'S NAME Mercantile-Safe Deposit and Trust Company			
	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA
File in Maryland SDAT

Matter No. 890412

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/29/98)

DMEAST #9737905 v1

B686953750

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of this 2 page document on file in this office. DATED: 3-7-07

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

504-79

UCC APPROVAL SHEET

** EXPEDITED SERVICE ** ** KEEP WITH DOCUMENT **

TRANSACTION TYPE		FEES REMITTED
✓	Expedited Fee	$50.00
___	UO - Original Financing Statement	$25.00
___	UOA - Original Financing Statement With Assignment	$25.00
___	UOTU - Original Financing Statement Transmitting Utility	$25.00
___	UMA - Amendment	$25.00
___	UMDA - Amendment - Debtor Added	$25.00
___	UMDC - Amendment - Debtor Name Change	$25.00
___	UMDD - Amendment - Debtor Deleted	$25.00
___	UMSA - Amendment - Secured Party Added	$25.00
___	UMSC - Amendment - Secured Party Name Change	$25.00
___	UMSD - Amendment - Secured Party Deleted	$25.00
✓	UMC - Amendment - Continuation	$25.00
___	UMT - Amendment - Termination	$25.00
___	UMZ - Amendment - Assignment	$25.00
___	UMZP - Amendment - Partial Assignment	$25.00
___	UMCS - Amendment - Correction Statement	$25.00
___	UOMH - Manufactured Home - Original Financing Statement	$25.00
___	UOPF - Public Finance - Original Financing Statement	$25.00
___	Documents Nine (9) Pages or More	$75.00
___	Certified Copies	
___	Plain Copies	

TOTAL FEES: $75.00

NO FEE TRANSACTION TYPES

___ URC - Copies
___ UNCP - Void - Non-Payment
___ UCC - Cancellation
___ UCR - Reinstatement
___ UCO Departmental Action
___ UCREF - Refund Recordation Tax
___ UCIS - Incorrect ID Number
___ XOVRU - UCC Overrides
___ UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

Cash ____ Check ✓ Credit Card ____

Number of Checks 1

COMMENT(S):

1000361994420556

RECORDED ON 03/06/2007 AT 03:58 PM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001370982 ACK # 1000361994420556
ORIGINAL FILE NUMBER: 00000001811112857
LIBER: U00504 FOLIO: 0079 PAGES: 0002

____ Other Change(s)

Code ____

Attention: ____

Mail to Address:

THE CORPORATION TRUST INCORPORATED
300 E LOMBARD ST., SUITE 1400
BALTIMORE MD 21202

Stamp Work Order and Customer Number HERE

CUST ID:0001927944
WORK ORDER:0001370982
DATE:03-07-2007 09:07 AM
AMT. PAID:$525.00

EXHIBIT 5

"Guaranty"

Guaranty Agreement

Document: 1.4

GUARANTY AGREEMENT

This Guaranty Agreement (this "**Guaranty**") is made as of the 12th day of February, 2002, by and between ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company ("**Erickson**"), and ERICKSON GROUP, LLC, a Maryland limited liability company (each of which is hereinafter referred to individually as a "**Guarantor**" and both of which are hereinafter collectively referred to as "**Guarantors**"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation (the "**Lender**").

RECITALS

The Lender has agreed to make a loan to Novi Campus, LLC, a Maryland limited liability company (the "**Borrower**") in the aggregate principal amount at any time outstanding not to exceed Forty-Six Million Dollars ($46,000,000.00) (the "**Loan**"), which Loan shall be evidenced by a Revolving Loan Note in the principal amount of Forty-Six Million Dollars ($46,000,000.00) (the "**Note**"). The Loan shall be advanced by the Lender pursuant to the terms and conditions of the Construction Loan Agreement of even date herewith by and between the Borrower and the Lender (the "**Loan Agreement**") to be used for the construction of a retirement community to be known as the "Fox Run Village Retirement Community" (hereinafter referred to as "**Fox Run Village**" or the "**Retirement Community**") on certain land located on Thirteen Mile Road and situated in Novi, Oakland County, Michigan (the "**Land**").

The Land will be leased by the Borrower to Fox Run Village, Inc., a Maryland non-profit corporation ("**FRVI**"). FRVI will enter into a Management Agreement with Erickson to provide management services for Fox Run Village.

The Lender is willing to make the Loan available to the Borrower on the terms and conditions set forth in the Loan Agreement and other Loan Documents referred to therein, including the Note (collectively, the "**Loan Documents**"), but only if the Guarantors guarantee repayment of the Loan and performance of all of the Borrower's obligations under the Loan Documents in accordance with the terms and conditions of this Guaranty Agreement.

Each of the Guarantors is an affiliate of the Borrower and will benefit from the availability of the Loan to the Borrower and is willing to give the guaranty requested so as to induce the Lender to make the Loan available to the Borrower.

AGREEMENTS

NOW THEREFORE, in consideration of these premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantors give the following guaranty of payment and of performance to the Lender:

Section 1. Defined Terms. All capitalized terms used in this Guaranty without definition shall have the meanings ascribed to such terms in the Loan Agreement.

Section 2. Representations and Warranties of the Guarantors. Each of the Guarantors represents and warrants that:

(a) It has reviewed all documents referred to herein or otherwise relating to the Loan Documents, and this Guaranty is its binding obligation and is fully enforceable against it in accordance with its terms;

(b) There are (i) no provisions of any existing mortgage, indenture, contract or agreement binding on such Guarantor or affecting its property (other than any such agreements with the Lender), and (ii) to such Guarantor's knowledge no provision of law or order of court or of any administrative officer or administrative agency, binding upon such Guarantor or its property, which would conflict with or in any way prevent the execution, delivery or performance of the terms of this Guaranty or which would be in default or breached or violated (as applicable) as a result of such execution, delivery or performance;

(c) The financial information heretofore delivered to the Lender regarding such Guarantor is true and correct as of the date thereof; there has been no material adverse change in the financial position of such Guarantor since the date of such financial information and no such material adverse change is pending or threatened;

(d) There are no proceedings pending, or so far as such Guarantor knows, threatened, before any court or administrative agency or officer which will adversely affect the financial position of such Guarantor;

(e) Each of the Guarantors is a limited liability company duly formed and validly existing in good standing under the laws of the State of Maryland;

(f) Each of the Guarantors (i) has the necessary power, authority and legal right to own its property and carry on the business now being conducted by it and to enter into the transactions contemplated by this Guaranty and the other Loan Documents, (ii) has duly authorized the execution and delivery of this Guaranty and the other Loan Documents and the performance and observations of the terms, covenants, agreements and provisions hereof and thereof, and (iii) will at all times perform all acts necessary to maintain its legal existence and continue its authority to act in accordance with the representations in this paragraph; and

(g) All of the representations of the Guarantors and, to the best of the Guarantors' knowledge and belief, the representations of the Borrower, made in the course of obtaining the Loan from the Lender and contained in the Loan Documents are true and correct and are not knowingly misleading and the Guarantors agree to indemnify the Lender from any loss or expense as a result of a breach of the foregoing warranty.

Section 3. Guaranty. Subject to the terms of this Guaranty, the Guarantors hereby, jointly and severally, fully, absolutely, unconditionally and irrevocably guarantee to the

Lender all of the following obligations (collectively referred to as the "**Guaranteed Obligations**"):

(a) The full and prompt payment when due (not merely the collection) of all amounts due with respect to the Note, and the observance and performance by the Borrower of all of the Borrower's obligations under the Loan Documents, including, but not limited to, the completion of the Improvements described in the Loan Agreement;

(b) The full and prompt payment (not merely the collection) of all present and future liabilities and obligations of the Borrower to the Lender of every kind and description, now existing or hereafter owing, matured or unmatured, direct or indirect, absolute or contingent or joint or several and the observance and performance by the Borrower of all of the Borrower's obligations with respect to the foregoing;

(c) The payment of all expenses and charges (including all court costs and reasonable attorneys' fees) paid or incurred by the Lender in realizing upon any of the obligations guaranteed above or in enforcing any of the Loan Documents; and

(d) The performance of all obligations of the Borrower under the Loan Agreement and Loan Documents including, but not limited to, the indemnification obligations set out in the Loan Agreement.

Section 4. Nature of the Guaranty. The guaranty of the Guarantors hereunder shall be direct, immediate, and primary. The liability of the Guarantors hereunder shall be joint and several.

Section 5. Lender Need Not Pursue Against Borrower, Any Guarantor, or Collateral. The Lender shall be under no obligation to pursue the Lender's rights against the Borrower or any other guarantor or pledgor, or against any collateral pledged by the Borrower or any other guarantor or pledgor, or under any mortgage, deed of trust, pledge agreement or any other instrument securing the Loan before pursuing the Lender's rights against the Guarantors.

Section 6. Rights of Lender to Deal with Borrower, Guarantors, and Collateral. The Lender may without compromising, impairing, or in any way releasing any of the Guarantors from their obligations hereunder and without obtaining the prior approval of the Guarantors at any time or from time to time (a) waive or excuse a default or defaults by the Borrower, any of the Guarantors or any other guarantor or pledgor; (b) grant extensions of time for payment or performance by the Borrower, any of the Guarantors or any other guarantor or pledgor; (c) release, substitute, or add collateral of the Borrower, any of the Guarantors or any other guarantor or pledgor; (d) release the Borrower, any of the Guarantors or any other guarantor or pledgor; or (e) modify, change or amend in any respect the Lender's agreement with the Borrower, any of the Guarantors or any other guarantor or pledgor.

Each of the Guarantors further agrees to all provisions of the Loan Agreement and Loan Documents which refer or relate to such Guarantor or which require its consent or joinder, as fully as if such provisions were set forth herein. Said provisions include, but are not limited to, Sections 8.3, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, 8.15 and 8.18 of the Loan Agreement.

Section 7. Waivers by the Guarantors. Each of the Guarantors waives (a) presentment and demand for performance of any obligations relating to the Project to be performed by the Borrower, either of the Guarantors or any other guarantor or pledgor and (b) notice of default by the Borrower, either of the Guarantors or any other guarantor or pledgor.

Section 8. Liability of Guarantors Unaffected by Third Party Bankruptcy and Insolvency Proceeding. To the extent permitted by law, no modification, limitation or discharge of liability of the Borrower, either of the Guarantors or any other guarantor or pledgor under any of the Loan Documents arising out of, or by virtue of, any bankruptcy, arrangement, reorganization or similar proceedings for release of debtors under federal or state law shall affect the liability of either of the Guarantors hereunder in any manner whatsoever, and each of the Guarantors hereby waives all rights and benefits which might accrue to it by reason of any such proceedings.

Section 9. Covenants. Each of the Guarantors hereby covenants and agrees:

(a) To comply with the terms of each and every provision of the Loan Documents which refers or relates to such Guarantor, including the obligation of each of the Guarantors, in conjunction with the Borrower, to provide to the Lender the financial information described in Section 8.3 of the Loan Agreement, and to provide certain notices and information under Section 8.13 of the Loan Agreement prior to start-up of new retirement communities;

(b) Upon obtaining knowledge thereof, promptly to give notice in writing to the Lender of any litigation, pending or threatened, and of any proceeding before any governmental or regulatory agency or officer which might have a material, adverse effect on the financial position of such Guarantor (any suit or suits in which the amount in controversy is less than $100,000 in the aggregate being hereby deemed not to be material);

(c) To pay and discharge, or cause to be paid or discharged, all taxes, assessments and governmental charges or levies imposed upon any of the properties of such Guarantor, all claims for labor, supplies, rent and any other obligations, prior to the date on which penalties attach thereto, and all lawful claims which, if unpaid, might become a lien or charge upon any such properties; provided, however, that such Guarantor shall not be required to pay or cause to be paid any such tax, assessment, charge, levy or claim so long as the Lender has been given notice of the intention of such Guarantor to institute any contest thereof and so long as, in the opinion of the Lender, (i) the payment is being diligently contested in good faith by appropriate proceedings, (ii) the security for the Guaranteed Obligations is not impaired and (iii) such Guarantor (as appropriate) has effectively stayed or prevented the sale of its properties;

(d) Except as permitted in the Loan Agreement, not to sell or otherwise dispose, or cause or allow any other person or entity to sell or otherwise dispose, without prior written consent of the Lender, of any property or properties of such Guarantor except for sales or leases for a consideration approximately equal to fair market value or fair market rental or other fair and appropriate consideration; provided, however, that the Lender shall not unreasonably withhold its consent to any disposition that would not have a material adverse effect on the financial position of such Guarantor;

(e) Except as permitted in the Loan Agreement, not to pay any income, bonuses, profits, salaries or fees to any of its partners or members or make any distribution of cash or property to any of its partners or members or to affiliates thereof (including other entities in which any of its partners or members owns an interest); and

(f) To maintain its primary banking relationship with the Lender so long as the Loan remains outstanding.

Section 10. Completion of Improvements. Upon the occurrence of an Event of Default and notice thereof to Borrower as may be provided in the Loan Agreement, Lender may, in addition to any other remedies available to it and in its sole discretion, and each of the Guarantors hereby grants to Lender the right to (i) enter upon the Land and complete the Improvements (as defined in the Loan Agreement) in accordance with the Plans and Specifications (as defined in the Loan Agreement) with such changes therein as Lender may deem appropriate, and employ watchmen to protect the Property, (ii) at any time discontinue any work commenced in respect of the Project (as defined in the Loan Agreement), (iii) assume any or all contracts covered by the Assignment of Project Documents or any other contracts made by Borrower or either of the Guarantors relating to the construction or equipping of the Improvements and take over and use all or any part of the labor, materials, supplies and equipment contracted for by Borrower or either of the Guarantors, (iv) engage builders, contractors, and others for the purpose of furnishing labor, materials and equipment in connection with the Project, and (v) pay, settle or compromise all bills or claims that may become liens against the Property. The Guarantors shall be jointly and severally liable to Lender for all sums paid or incurred by Lender to construct and equip the Improvements whether the same shall be paid or incurred pursuant to the provisions of this Section 10 or otherwise, and all payments made or liabilities incurred by Lender hereunder of any kind whatsoever shall be paid by the Guarantors to Lender upon demand with interest at the rate provided in the Note. For the purpose of exercising the rights granted by this Section, each of the Guarantors hereby irrevocably constitutes and appoints the Lender its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of such Guarantor.

Section 11. Default. An Event of Default shall be deemed to have occurred under this Agreement upon the occurrence of any one or more of the following events: (a) the failure of either of the Guarantors to promptly pay or perform all or any part of the Guaranteed Obligations as specified in Section 3 of this Guaranty, (b) the entry of one or more judgments in excess of $250,000 in the aggregate against either or both of the Guarantors and the failure to satisfy such judgment within thirty (30) days (either by payment or by the filing of a supersedeas bond) unless such judgments have been appealed in good faith and the legal effect of such appeals is to stay the obligation to satisfy such judgments until resolution of the appeals; (c) either of the Guarantors defaults in the performance or observance of the provisions of Section 9(d), 9(e) or 9(f) of this Agreement; (d) either of the Guarantors defaults in the performance or observance of any other agreement, covenant, or condition set forth in this Agreement, which default is not cured in full within a reasonable time (but in no event to exceed thirty (30) days) after Lender gives such Guarantor written notice thereof; provided, however, that the Lender may, in its sole discretion, extend the cure period for any default upon the reasonable request of

such Guarantor, in the event that the default cannot be cured within the time set forth in this Agreement and such Guarantor is diligently pursuing cure of the default; or (e) the occurrence of any default or Default under any of the Loan Documents, and the expiration of any applicable grace or cure period with respect thereto, or the occurrence of any Event of Default under any of the other Loan Documents.

Section 12. Confession of Judgment; Jurisdiction and Venue. At any time following an Event of Default hereunder, each of the Guarantors authorizes any attorney admitted to practice before any court of record in the United States or any clerk of any court of record to appear for it and confess judgment on behalf of such Guarantor against such Guarantor in favor of the Lender, in the full amount of the outstanding Loan, plus attorneys' fees of ten percent (10%) of such amount up to a maximum for attorneys' fees of Three Hundred Thousand Dollars ($300,000) (but this provision shall not limit the obligation of the Guarantors, jointly and severally to pay all attorneys' fees incurred by the Lender).

The Lender agrees that in attempting to satisfy or enforce any judgment by confession obtained against either or both of the Guarantors in connection with this Guaranty, the Lender shall not seek or demand, solely with respect to attorneys' fees incurred by the Lender in connection with this Guaranty, any amounts in excess of the actual amount of reasonable attorneys' fees charged to the Lender. The Lender agrees not to sell or assign any judgment obtained pursuant to this Section 12 unless the assignee agrees to be bound by the provisions of the immediately preceding sentence. Each of the Guarantors agrees that venue shall be proper in any County of the State of Maryland or in Baltimore City, or in the United States District Court for the District of Maryland, in addition to any other court where venue may be proper. Each of the Guarantors waives and releases, to the extent permitted by law, all errors and all rights of exemption, appeal, stay of execution, inquisition and extension upon any levy on real estate or personal property to which such Guarantor may otherwise be entitled under the laws of the United States of America or of any State or Possession of the United States of America now in force or which may hereafter be passed, as well as the benefit of any and every statute, ordinance, or rule of court which may be lawfully waived conferring upon such Guarantor any right or privilege of exemption, stay of execution, or supplementary proceedings, or other relief from the enforcement or immediate enforcement of a judgment or related proceedings on a judgment; provided however, that the foregoing waiver does not extend to such Guarantor's rights under Rule 2-611 of the Maryland Rules of Civil Procedure to file a motion to open, vacate or modify a judgment by confession in good faith and within the timeframes permitted by such Rule, which rights such Guarantor does not waive. The authority and power to appear for and enter judgment against either of the Guarantors shall be exercisable concurrently in one or more jurisdictions and shall not be exhausted or extinguished by one or more exercises thereof, or by any imperfect exercise thereof or by any judgment entered pursuant thereto. Such authority and power may be exercised on one or more occasions, from time to time, in the same or different jurisdictions, as often as the Lender shall deem necessary or desirable.

Section 13. Other Remedies. At any time following an Event of Default, the Lender shall also be authorized to bring an action against the Guarantors for all amounts owing in connection with the Loan, and to pursue any other rights and remedies provided in the Loan

Documents upon the occurrence of any Default or Event of Default, or otherwise available under applicable laws.

Section 14. **WAIVER OF JURY TRIAL. EACH OF THE GUARANTORS, AND THE LENDER BY ITS ACCEPTANCE OF THIS AGREEMENT, HEREBY WAIVES ALL RIGHTS TO A JURY IN ANY ACTION, COUNTERCLAIM, OR PROCEEDING BASED UPON, OR RELATED TO, THIS AGREEMENT OR ANY OF THE LOAN DOCUMENTS. THIS WAIVER APPLIES TO ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS AND PROCEEDINGS, INCLUDING PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY THE GUARANTORS EACH OF WHOM ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE EXECUTION OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. EACH OF THE GUARANTORS FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTOOD THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION.**

Section 15. Expenses of Collection. Should this Guaranty or any claim hereunder be referred to an attorney for enforcement, whether or not suit is filed, the Guarantors jointly and severally shall pay all of the Lender's actual costs, fees (including reasonable attorneys' fees) and expenses resulting from such referral.

Section 16. Binding Nature. This Guaranty shall inure to the benefit of and be enforceable by the Lender and the Lender's successors and assigns, and shall be binding upon and enforceable against the Guarantors and the Guarantors' successors and assigns.

Section 17. Assignment; Termination of Guaranty. This Guaranty may not be assigned by the Lender except in accordance with the terms of the Loan Agreement. This Guaranty shall terminate upon the performance by the Borrower and the Guarantors of all obligations to the Lender under the Loan Documents and the indefeasible repayment in full of all sums due the Lender, whether principal, interest, fees, charges, assessments, or otherwise.

Section 18. Restrictions on Becoming a Creditor of the Borrower. Each of the Guarantors hereby waives any claim, as that term is defined in the United States Bankruptcy Code, which such Guarantor might now have or might hereafter acquire against the Borrower, including, but not limited to, claims arising by way of subrogation, reimbursement, indemnity, exoneration, contribution, extensions of credit or equity contributions, it being the intent of the parties that neither of the Guarantors shall be a creditor of the Borrower under the United States Bankruptcy Code.

Section 19. Notices. All notices required or permitted hereunder shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, to the following addresses:

If to either of the Guarantors:

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

and

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

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

If to the Lender:

Mercantile-Safe Deposit & Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21201
Attention: Bruce D. McLean,
Senior Vice President

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

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, Suite 1900
Baltimore, Maryland 21202

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

Section 20. Waiver. No waiver of any power, privilege, right or remedy (hereinafter collectively referred to as "**Rights**") hereunder shall be effective unless in writing. No delay on the part of the Lender in exercising any Rights hereunder, or under any other

instrument executed by the Borrower or any other person in connection with the transaction (including the Loan Documents) shall operate as a waiver thereof, and no single or partial exercise of any such Rights shall preclude other or further exercise thereof, or the exercise of any other Rights. Waiver by the Lender of any default by the Borrower, either of the Guarantors or any other person shall not constitute a waiver of any subsequent defaults, but shall be restricted to the default so waived. If any provision or part of any provision of this Guaranty shall be contrary to any law which the Lender might seek to apply or enforce, or should otherwise be defective, the other provisions, or parts of such provisions, of this Guaranty shall not be affected thereby, but shall continue in full force and effect. All Rights of the Lender hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all Rights given hereunder or in or by any other instruments or any laws now existing or hereafter enacted.

Section 21. Choice of Law. This Guaranty and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the granting, perfection and enforcement of security interests in collateral, the law of the jurisdiction in which the collateral is located (or which otherwise applies to security interests in collateral) shall govern..

Section 22. Tense, Gender, Captions. As used herein, the plural shall refer to and include the singular, and the singular, the plural and the use of any gender shall include and refer to any other gender as the context may require. All captions are solely for the purpose of convenience.

Section 23. Terms of Documents. Each of the Guarantors has read the Loan Agreement and other Loan Documents and fully understands the terms thereof and the extent of its obligations in guaranteeing the payment of the Loan and the completion of the Project free and clear of all liens as described in Section 3 of this Guaranty.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Guarantors have hereunto set their hands and seals as of the day and year first above written.

WITNESS:

GUARANTORS:

ERICKSON RETIREMENT COMMUNITIES, LLC

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and Chief Operating Officer

ERICKSON GROUP, LLC

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President

EXHIBIT 4

"LC Documents"

The Following Documents:

(a) Application For Irrevocable Letter Of Credit And
(b) Indemnification Agreement From Novi To The Lender
(c) Letter Of Credit
(d) Amendments To Letter Of Credit And Extension Notifications

For Each Of The Following Letters Of Credit:

1. Letter Of Credit 18106429, formerly Number 8038
2. Letter Of Credit 18106432, formerly Number 8662
3. Letter Of Credit 18106433, formerly Number 8663
4. Letter Of Credit 18106434, formerly Number 8664
5. Letter Of Credit 18106435, formerly Number 8665
6. Letter Of Credit 18106436, formerly Number 8575
7. Letter Of Credit 18106437, formerly Number 8385
8. Letter Of Credit 18106438, formerly Number 8172
9. Letter Of Credit 18106440, formerly Number 8173
10. Letter Of Credit 18107820, formerly Number 8506
11. Letter Of Credit 18106431, formerly Number 8661

A/C# 5743 30 8038

APPLICATION FOR IRREVOCABLE LETTER OF CREDIT

ACCOUNT NAME Novi Campus, LLC Date 4/12/02

Billing Address 701 Maiden Choice Lane Baltimore MD Zip 21228 Deposit A/C No.

Amount $ 541,040 ☐ Secured ☒ Unsecured Expiration Date: Line of Credit

Letter Credit Favor Of: City of Novi If Yes, Amount $ 46MM

Address: Treasurer's Office, 45175 West Ten Mile Road Novi, MI 48375-3024 Date Approved: 12/5/01

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

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

Purpose of Letter Credit: Financial Guarantee to complete Woodlands, Landscape, Soil Eroision, Right of Way and Wetlands

State Conditional Terms Governing Drawings Under Letter of Credit:

List Collateral if Secured: Please reduce availability of Novi Campus LLC
#5743596097O1

(Corporations or Partnership Sign Below)

NOVI Campus, LLC
Name of Corporation or Partnership

By:
BY: Erickson Retirement Communities, Member
By: Jeffrey A. Jacobson, Senior Vice President

(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 & TRUST COMPANY
INTERNATIONAL DEPARTMENT
TWO HOPKINS PLAZA / BALTIMORE, MD 21201 / PHONE 410-237-5304

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

LC 1810 6429

IRREVOCABLE STANDBY LETTER OF CREDIT
NO. 8038

BENEFICIARY:
City of Novi
Treasurer's Office
45-47 West Ten Mile Road
Novi, MI 48375-3024

DATE: April 15, 2002

EXPIRATION: April 15, 2003

Gentlemen:

We hereby issue our Irrevocable Standby Letter of Credit No. 8038 in your favor, for account of Novi Campus, LLC, 701 Maiden Choice Lane, Baltimore, MD 21228 for a sum not exceeding USD $541,040.00 (Five Hundred Forty One Thousand Forty Dollars) available by your draft at sight on Mercantile-Safe Deposit and Trust Company when accompanied by:

> Your signed statement as follows:
>
> We certify that Novi Campus LLC has failed to perform or comply with conditions specified by the City of Novi regarding the completion of Woodlands, Landscape, Soil Erosion, Right-of-way and Wetlands, for the Fox Run Village."

It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one year periods from the expiration date hereof, or any future expiration date, unless at least sixty (60) days prior to any expiration date we shall notify you by courier at the address indicated above, unless a change of address is otherwise notified by you to us, in writing, that we elect not to consider this Letter of Credit renewed for any such additional period.

All drafts drawn under this credit must be marked "Drawn under Mercantile-Safe Deposit and Trust Company Letter of Credit No. 8038 dated April 15, 2002".

This Letter of Credit is subject to and governed by the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, 1993 Revision, Publication 500.

This original Letter of Credit and all amendments thereto must be submitted to us together with any drawings hereunder for our endorsement of any payments effected by us and/or for cancellation.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

L/C 8038
Page 2

We engage with you that each draft drawn under and in compliance with the terms of this Letter of Credit will be duly honored on delivery of the documents as specified if presented at this office on or before April 15, 2003, or any automatically extended date.

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY

By: _____
Thomas O. Daly, Senior Vice President

By: _____
Bruce D. McLean, Senior Vice President

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8038

Date: June 3, 2005

BENEFICIARY:
City of Novi
Treasurer's Office
45175 West Ten Mile Road
Nova, MI 48375-3024

When communicating with us, please give our Ref: L/C 8038

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8038 issued in your favor on April 15, 2003 , for account of:

Novi Campus, LLC

1. Reduce amount by $116,962.50.00 to a new liability of $424,077.50.

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 AND 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

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8038

Date: June 3, 2005

BENEFICIARY:
City of Novi
Treasurer's Office
45175 West Ten Mile Road
Nova, MI 48375-3024

When communicating with us, please give our Ref: L/C 8038

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8038 issued in your favor on April 15, 2003 , for account of:

Novi Campus, LLC

1. Reduce amount by $101,525.00 to a to a new liability of $439,515.00.

SPECIAL CONDITION:

This amendment replaces our amendment dated June 3, 2005.

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 AND TRUST COMPANY

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

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

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8038

Date: August 02, 2007

BENEFICIARY:

City of Novi-Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

When communicating with us please give our Ref: L/C 8038

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8038 issued on April 15, 2002, for account of:

Novi Campus, LLC

1. Change Applicants address to read:

991 Corporate Blvd.
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: Barbara R Wallace
Barbara R. Wallace, Senior Vice President

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

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
FEB 27 2008
TREASURER
CITY OF NOVI

PNC BANK

DATE: FEBRUARY 22, 2008

BENEFICIARY:
CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

APPLICANT:
NOVI CAMPUS, LLC
991 CORPORATE BLVD
LINTHICUM HEIGHTS, MD 21090-2227

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: 18106429-00-000
AMENDMENT NUMBER: 2

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18106429-00-000 AS FOLLOWS:

THE EXPIRY DATE IS NOW TO READ: JANUARY 01, 2009.

THIS LETTER OF CREDIT WILL CONTINUE TO AUTOMATICALLY EXTEND ANNUALLY HEREAFTER.

PLEASE SIGNIFY THE BENEFICIARY'S CONSENT TO THIS AMENDMENT BY SIGNING THE ATTACHED COPY OF 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 WE MAY COMPLETE OUR RECORDS.

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
elephone: 1-800-682-4689

PNC BANK

IN REFERENCE TO AMENDMENT NUMBER 2, WE HEREBY AGREE TO THE TERMS AND CONDITIONS OF THIS AMENDMENT. WE FURTHER CERTIFY THAT THE UNDERSIGNED IS AUTHORIZED TO EXECUTE THIS AGREEMENT.

CITY OF NOVI

BY: _____

DATE: 2/27/08

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

PNC BANK

DATE: JUNE 20, 2008

BENEFICIARY:
CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

APPLICANT:
NOVI CAMPUS, LLC
991 CORPORATE BLVD
LINTHICUM HEIGHTS, MD 21090-2227

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: 18106429-00-000
AMENDMENT NUMBER: 3

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18106429-00-000 AS FOLLOWS:

THE AMOUNT IS DECREASED BY: USD $15,437.50
TOTAL LIABILITY AMOUNT NOW TO READ: USD $424,077.50

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

PNC BANK

DATE: SEPTEMBER 24, 2008

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:	18106429-00-000
TRANSACTION NUMBER:	4
APPLICANT:	NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106429-00-000 HAS BEEN EXTENDED TO JANUARY 01, 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.

Notarized to Bev

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

PNC BANK

DATE: DECEMBER 15, 2008

BENEFICIARY:
CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

APPLICANT:
NOVI CAMPUS, LLC
991 CORPORATE BLVD
LINTHICUM HEIGHTS, MD 21090-2227

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: 18106429-00-000
AMENDMENT NUMBER: 5

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18106429-00-000 AS FOLLOWS:

THE AMOUNT IS DECREASED BY: USD $60,000.00
TOTAL LIABILITY AMOUNT NOW TO READ: USD $364,077.50

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

PNC BANK

DATE: APRIL 17, 2009

BENEFICIARY:
CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

APPLICANT:
NOVI CAMPUS, LLC
991 CORPORATE BLVD
LINTHICUM HEIGHTS, MD 21090-2227

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: 18106429-00-000
AMENDMENT NUMBER: 6

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18106429-00-000 AS FOLLOWS:

THE AMOUNT IS DECREASED BY: USD $58,000.00
TOTAL LIABILITY AMOUNT NOW TO READ: USD $306,077.50

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PNC BANK, NATIONAL ASSOCIATION
GLOBAL TRADE SERVICE OPERATIONS

FORM116650-0505

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

PNC BANK

DATE: OCTOBER 01, 2009

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:	18106429-00-000
TRANSACTION NUMBER:	7
APPLICANT:	NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106429-00-000 HAS BEEN EXTENDED TO JANUARY 01, 2011.

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.

5743596088662

APPLICATION FOR IRREVOCABLE LETTER OF CREDIT

ACCOUNT NAME Novi Campus, LLC Date June 7, 2004

Billing Address 701 Maiden Choice Ln Baltimore, MD Zip 21228 Deposit A/C No.

Amount $ 12,440.00 ✓ ☐ Secured ☐ Unsecured Expiration Date: Line of Credit 5743596087741

Letter Credit Favor Of: City of Novi If Yes, Amount $ 46mm

Address: 45175 W. Ten Mile Road Date Approved:

Novi, MI 48375-3024

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

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

Purpose of Letter Credit: Woodland Fence Financial Guarantee

State Conditional Terms Governing Drawings Under Letter of Credit:

List Collateral if Secured:

(Corporations or Partnership Sign Below)

Novi Campus, 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

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY
BALTIMORE, MARYLAND 21201

INDEMNIFICATION AGREEMENT

Date June 7,2004

In consideration of your issuance of Irrevocable Clean Letter of Credit ("Credit") No. 8662

for $ 12,440.00, in favor of City of Novi

For the account of: Novi Campus, 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:

Fox Run Village - Phase II

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

Novi Campus, LLC
Name of Corporation or Partnership

By Jeffrey A Jacobson

By _____

INDIVIDUALS SIGN BELOW

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

LO 445020 (4/80)

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

IRREVOCABLE STANDBY LETTER OF CREDIT
NO. 8662

LC 18106432

BENEFICIARY:
City of Novi – Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

DATE: June 14, 2004
EXPIRATION: June 14, 2005

Gentlemen:

We hereby issue our Irrevocable Standby Letter of Credit No. 8662 in your favor, for account of Novi Campus, LLC., 701 Maiden Choice Lane, Baltimore, MD 21228, for a sum not exceeding USD 12,440.00 (Twelve Thousand Four Hundred Forty and 00/100) US Dollars, available by your draft at sight on Mercantile-Safe Deposit and Trust Company, when accompanied by:

1. Your signed statement as follows: "We certify that Novi Campus, LLC has failed to perform or comply with conditions specified by The City of Novi regarding the completion of Woodland Fence, for the Fox Run Village – Phase II project."

It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one year periods from the expiration date hereof, or any future expiration date, unless at least sixty (60) days prior to any expiration date we shall notify you by courier at the address indicated above unless a change of address is otherwise notified by you to us, in writing, that we elect not to consider this Letter of Credit renewed for any such additional period.

All drafts drawn under this credit must be marked "Drawn under Mercantile-Safe Deposit and Trust Company Letter of Credit No. 8662, dated June 14, 2004".

This Letter of Credit is subject to and governed by The Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, 1993 Revision, Publication 500.

This original letter of credit an all amendments thereto must be submitted to us together with any drawings hereunder for our endorsement of any payments effected by us and/or for cancellation.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

L/C 8662
Page 2

We engage with you that each draft drawn under and in compliance with the terms of this credit will be duly honored on delivery of the documents as specified if presented at this office on or before June 14, 2005 or any automatically extended date.

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY

By: _____
Barbara R. Wallace, Vice President

By: _____
Bruce D. McLean, Senior Vice President

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8662

Date: August 02, 2007

BENEFICIARY:

City of Novi-Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

When communicating with us please give our Ref: L/C 8662

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8662 issued on June 14, 2004, for account of:

Novi Campus, LLC

1. Change Applicants address to read:

991 Corporate Blvd.
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: Barbara R. Wallace
Barbara R. Wallace, Senior Vice President

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

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

PNC BANK

DATE: APRIL 03, 2008

BENEFICIARY:
CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

APPLICANT:
NOVI CAMPUS, LLC
991 CORPORATE BLVD
LINTHICUM HEIGHTS, MD 21090-2227

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: 18106432-00-000
AMENDMENT NUMBER: 2

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18106432-00-000 AS FOLLOWS:

THE EXPIRY DATE IS NOW TO READ: JANUARY 01, 2009.

THIS LETTER OF CREDIT WILL CONTINUE TO AUTOMATICALLY EXTEND AS PROVIDED FOR THEREIN.

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

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

PNC BANK

CONSENT TO AMENDMENT

IN REFERENCE TO AMENDMENT NUMBER 2:

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

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

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

CITY OF NOVI

BY: Steph T. [signature]

DATE: 1/8/08

FORM116650-0505

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

PNC BANK

DATE: SEPTEMBER 24, 2008

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE: 18106432-00-000
TRANSACTION NUMBER: 4
APPLICANT: NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106432-00-000 HAS BEEN EXTENDED TO JANUARY 01, 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.

Robert Wise

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

PNC BANK

DATE: OCTOBER 01, 2009

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:	18106432-00-000
TRANSACTION NUMBER:	5
APPLICANT:	NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106432-00-000 HAS BEEN EXTENDED TO JANUARY 01, 2011.

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.

57435960 #8663

APPLICATION FOR IRREVOCABLE LETTER OF CREDIT

ACCOUNT NAME Novi Campus, LLC Date June 7, 2004

Billing Address 701 Maiden Choice Ln Baltimore, MD Zip 21228 Deposit A/C No.

Amount $ 41,200.00 ☐ Secured ☐ Unsecured Expiration Date: Line of Credit 57435960#701

Letter Credit Favor Of: City of Novi If Yes, Amount $ 46mm

Address: 45175 W. Ten Mile Road Date Approved:

Novi, MI 48375-3024

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

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

Purpose of Letter Credit: Street Trees Land Financial Guarantee

State Conditional Terms Governing Drawings Under Letter of Credit:

List Collateral if Secured:

(Corporations or Partnership Sign Below)

Novi Campus, 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

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY
BALTIMORE, MARYLAND 21201

INDEMNIFICATION AGREEMENT

Date June 7, 2004

In consideration of your issuance of Irrevocable Clean Letter of Credit ("Credit") No. 8662

for $ 41,200.00, in favor of City of Novi

For the account of: Novi Campus, 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:

Fox Run Village - Phase II

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

Novi Campus, LLC
Name of Corporation or Partnership

By Jeffrey A Jacobson

By _____

INDIVIDUALS SIGN BELOW

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

LD 445020 (4/90)

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

IRREVOCABLE STANDBY LETTER OF CREDIT
NO. 8663

LC 18106433

BENEFICIARY:
City of Novi – Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

DATE: June 14, 2004
EXPIRATION: June 14, 2005

Gentlemen:

We hereby issue our Irrevocable Standby Letter of Credit No. 8663 in your favor, for account of Novi Campus, LLC., 701 Maiden Choice Lane, Baltimore, MD 21228, for a sum not exceeding USD 41,200.00 (Forty One Thousand Two Hundred and 00/100) US Dollars, available by your draft at sight on Mercantile-Safe Deposit and Trust Company, when accompanied by:

1. Your signed statement as follows: "We certify that Novi Campus, LLC has failed to perform or comply with conditions specified by The City of Novi regarding the completion of Street Trees Land, for the Fox Run Village – Phase II project."

It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one year periods from the expiration date hereof, or any future expiration date, unless at least sixty (60) days prior to any expiration date we shall notify you by courier at the address indicated above unless a change of address is otherwise notified by you to us, in writing, that we elect not to consider this Letter of Credit renewed for any such additional period.

All drafts drawn under this credit must be marked "Drawn under Mercantile-Safe Deposit and Trust Company Letter of Credit No. 8663, dated June 14, 2004".

This Letter of Credit is subject to and governed by The Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, 1993 Revision, Publication 500.

This original letter of credit an all amendments thereto must be submitted to us together with any drawings hereunder for our endorsement of any payments effected by us and/or for cancellation.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

L/C 8663
Page 2

We engage with you that each draft drawn under and in compliance with the terms of this credit will be duly honored on delivery of the documents as specified if presented at this office on or before June 14, 2005 or any automatically extended date.

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY

By: _____
Barbara R. Wallace, Vice President

By: _____
Bruce D. McLean, Senior Vice President

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8663

Date: August 02, 2007

BENEFICIARY:

City of Novi-Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

When communicating with us please give our Ref: L/C 8663

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8663 issued on June 14, 2004, for account of:

Novi Campus, LLC

1. Change Applicants address to read:

   991 Corporate Blvd.
   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: Barbara R Wallace
Barbara R. Wallace, Senior Vice President

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

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

PNC BANK

DATE: APRIL 03, 2008

BENEFICIARY:
CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

APPLICANT:
NOVI CAMPUS, LLC
991 CORPORATE BLVD
LINTHICUM HEIGHTS, MD 21090-2227

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: 18106433-00-000
AMENDMENT NUMBER: 2

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18106433-00-000 AS FOLLOWS:

THE EXPIRY DATE IS NOW TO READ: JANUARY 01, 2009.

THIS LETTER OF CREDIT WILL CONTINUE TO AUTOMATICALLY EXTEND AS PROVIDED FOR THEREIN.

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

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PNC BANK, NATIONAL ASSOCIATION
GLOBAL TRADE SERVICE OPERATIONS

Bank Of America - CD#13 - Control ID#1133

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

Swift: PNCCUS33
Telephone: 1-200-682-4689

PNCBANK

CONSENT TO AMENDMENT

IN REFERENCE TO AMENDMENT NUMBER 2:

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

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

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

CITY OF NOVI

BY: Stephen T. [illegible]

DATE: 4/8/08

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

PNC BANK

DATE: SEPTEMBER 24, 2008

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE: 18106433-00-000
TRANSACTION NUMBER: 4
APPLICANT: NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106433-00-000 HAS BEEN EXTENDED TO JANUARY 01, 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.

Intent to Bene

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

PNC BANK

DATE: OCTOBER 01, 2009

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE: 18106433-00-000
TRANSACTION NUMBER: 5
APPLICANT: NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106433-00-000 HAS BEEN EXTENDED TO JANUARY 01, 2011.

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
US

5743596 #8684

APPLICATION FOR IRREVOCABLE LETTER OF CREDIT

ACCOUNT NAME: Novi Campus, LLC Date: June 7, 2004

Billing Address: 701 Maiden Choice Ln Baltimore, MD Zip: 21228 Deposit A/C No.:

Amount $: 233,390.00 ☐ Secured ☐ Unsecured Expiration Date: Line of Credit: 5743596 0776

Letter Credit Favor Of: City of Novi If Yes, Amount $: 46mm

Address: 45175 W. Ten Mile Road Date Approved:

Novi, MI 48375-3024

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

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

Purpose of Letter Credit: Landscape Financial Guarantee

State Conditional Terms Governing Drawings Under Letter of Credit:

List Collateral if Secured:

(Corporations or Partnership Sign Below)

Novi Campus, 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

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY
BALTIMORE, MARYLAND 21201

INDEMNIFICATION AGREEMENT

Date June 7,2004

In consideration of your issuance of Irrevocable Clean Letter of Credit ("Credit") No. 8664

for $ 233,390.00, in favor of City of Novi

For the account of: Novi Campus, 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:

Fox Run Village - Phase II

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

Novi Campus, LLC
Name of Corporation or Partnership

By _____
Jeffrey A Jacobson

By _____

INDIVIDUALS SIGN BELOW

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

LD. 446020 (4/90)

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

IRREVOCABLE STANDBY LETTER OF CREDIT
NO. 8664

LC 18106434

BENEFICIARY:
City of Novi – Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

DATE: June 14, 2004
EXPIRATION: June 14, 2005

Gentlemen:

We hereby issue our Irrevocable Standby Letter of Credit No. 8664 in your favor, for account of Novi Campus, LLC., 701 Maiden Choice Lane, Baltimore, MD 21228, for a sum not exceeding USD 233,390.00 (Two Hundred Thirty Three Thousand Three Hundred Ninety and 00/100) US Dollars, available by your draft at sight on Mercantile-Safe Deposit and Trust Company, when accompanied by:

1. Your signed statement as follows: "We certify that Novi Campus, LLC has failed to perform or comply with conditions specified by The City of Novi regarding the completion of Landscape, for the Fox Run Village – Phase II project."

It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one year periods from the expiration date hereof, or any future expiration date, unless at least sixty (60) days prior to any expiration date we shall notify you by courier at the address indicated above unless a change of address is otherwise notified by you to us, in writing, that we elect not to consider this Letter of Credit renewed for any such additional period.

All drafts drawn under this credit must be marked "Drawn under Mercantile-Safe Deposit and Trust Company Letter of Credit No. 8664, dated June 14, 2004".

This Letter of Credit is subject to and governed by The Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, 1993 Revision, Publication 500.

This original letter of credit an all amendments thereto must be submitted to us together with any drawings hereunder for our endorsement of any payments effected by us and/or for cancellation.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8664

Date: August 02, 2007

BENEFICIARY:

When communicating with us please give our Ref: L/C 8664

City of Novi-Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8664 issued on June 14, 2004, for account of:

Novi Campus, LLC

1. Change Applicants address to read:

991 Corporate Blvd.
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: Barbara R Wallace
Barbara R. Wallace, Senior Vice President

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

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

PNC BANK

DATE: APRIL 03, 2008

BENEFICIARY:
CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

APPLICANT:
NOVI CAMPUS, LLC
991 CORPORATE BLVD
LINTHICUM HEIGHTS, MD 21090-2227

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: 18106434-00-000
AMENDMENT NUMBER: 2

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18106434-00-000 AS FOLLOWS:

THE EXPIRY DATE IS NOW TO READ: JANUARY 01, 2009.

THIS LETTER OF CREDIT WILL CONTINUE TO AUTOMATICALLY EXTEND AS PROVIDED FOR THEREIN.

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

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

PNCBANK

CONSENT TO AMENDMENT

IN REFERENCE TO AMENDMENT NUMBER 2:

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

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

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

CITY OF NOVI

BY: Stephen T. Bond

DATE: 4/8/08

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

PNC BANK

DATE: SEPTEMBER 24, 2008

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE: 18106434-00-000
TRANSACTION NUMBER: 4
APPLICANT: NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106434-00-000 HAS BEEN EXTENDED TO JANUARY 01, 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 Bene

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

:phone: 1-800-682-4689

PNC BANK

DATE: JUNE 18, 2009

BENEFICIARY:
CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

APPLICANT:
NOVI CAMPUS, LLC
991 CORPORATE BLVD
LINTHICUM HEIGHTS, MD 21090-2227

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: 18106434-00-000
AMENDMENT NUMBER: 5

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18106434-00-000 AS FOLLOWS:

THE AMOUNT IS DECREASED BY: USD $229,830.00
TOTAL LIABILITY AMOUNT NOW TO READ: USD $3,560.00

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

PNC BANK

DATE: OCTOBER 01, 2009

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:	18106434-00-000
TRANSACTION NUMBER:	6
APPLICANT:	NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106434-00-000 HAS BEEN EXTENDED TO JANUARY 01, 2011.

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 Sure
NS

5743596 #8665

APPLICATION FOR IRREVOCABLE LETTER OF CREDIT

ACCOUNT NAME: Novi Campus, LLC Date: June 7, 2004

Billing Address: 701 Maiden Choice Ln Baltimore, MD Zip: 21228 Deposit A/C No.: 8

Amount $: 254,475.00 ☐ Secured ☐ Unsecured Expiration Date: _____ Line of Credit: 5743596087

Letter Credit Favor Of: City of Novi If Yes, Amount $: 46mm

Address: 45175 W. Ten Mile Road Date Approved: _____

Novi, MI 48375-3024

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

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

Purpose of Letter Credit: Woodland Replacement Financial Guarantee

State Conditional Terms Governing Drawings Under Letter of Credit: _____

List Collateral if Secured: _____

(Corporations or Partnership Sign Below)

Novi Campus, 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

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY
BALTIMORE, MARYLAND 21201

INDEMNIFICATION AGREEMENT

Date June 7, 2004

In consideration of your issuance of Irrevocable Clean Letter of Credit ("Credit") No. 8665

for $ 254,475.00, in favor of City of Novi

For the account of: Novi Campus, 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:

Fox Run Village - Phase II

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

Novi Campus, LLC
Name of Corporation or Partnership

By Jeffrey A Jacobson

By _____

INDIVIDUALS SIGN BELOW

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

LD 445020(4/80)

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

IRREVOCABLE STANDBY LETTER OF CREDIT
NO. 8665

LC 18106435

BENEFICIARY:
City of Novi – Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

DATE: June 14, 2004
EXPIRATION: June 14, 2005

Gentlemen:

We hereby issue our Irrevocable Standby Letter of Credit No. 8665 in your favor, for account of Novi Campus, LLC., 701 Maiden Choice Lane, Baltimore, MD 21228, for a sum not exceeding USD 254,475.00 (Two Hundred Fifty Four Thousand Four Hundred Seventy Five and 00/100) US Dollars, available by your draft at sight on Mercantile-Safe Deposit and Trust Company, when accompanied by:

1. Your signed statement as follows: "We certify that Novi Campus, LLC has failed to perform or comply with conditions specified by The City of Novi regarding the completion of Woodland Replacement for the Fox Run Village – Phase II project."

It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one year periods from the expiration date hereof, or any future expiration date, unless at least sixty (60) days prior to any expiration date we shall notify you by courier at the address indicated above unless a change of address is otherwise notified by you to us, in writing, that we elect not to consider this Letter of Credit renewed for any such additional period.

All drafts drawn under this credit must be marked "Drawn under Mercantile-Safe Deposit and Trust Company Letter of Credit No. 8665, dated June 14, 2004".

This Letter of Credit is subject to and governed by The Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, 1993 Revision, Publication 500.

This original letter of credit an all amendments thereto must be submitted to us together with any drawings hereunder for our endorsement of any payments effected by us and/or for cancellation.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

L/C 8665
Page 2

We engage with you that each draft drawn under and in compliance with the terms of this credit will be duly honored on delivery of the documents as specified if presented at this office on or before June 14, 2005 or any automatically extended date.

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY

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

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

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8665

Date: August 02, 2007

BENEFICIARY:

City of Novi-Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

When communicating with us please give our Ref: L/C 8661

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8665 issued on June 14, 2004, for account of:

Novi Campus, LLC

1. Change Applicants address to read:

   991 Corporate Blvd.
   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: Barbara R Wallace
Barbara R. Wallace, Senior Vice President

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

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

PNC BANK

DATE: APRIL 03, 2008

BENEFICIARY:
CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

APPLICANT:
NOVI CAMPUS, LLC
991 CORPORATE BLVD
LINTHICUM HEIGHTS, MD 21090-2227

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:	18106435-00-000
AMENDMENT NUMBER:	2

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18106435-00-000 AS FOLLOWS:

THE EXPIRY DATE IS NOW TO READ: JANUARY 01, 2009.

THIS LETTER OF CREDIT WILL CONTINUE TO AUTOMATICALLY EXTEND AS PROVIDED FOR THEREIN.

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

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: PNCUS33
Telephone: 1-800-632-4609

PNC BANK

CONSENT TO AMENDMENT

IN REFERENCE TO AMENDMENT NUMBER 2:

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

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

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

CITY OF NOVI

BY: Stephen T. [signature]

DATE: 4/8/08

FORM116650-0505

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

PNC BANK

DATE: JANUARY 06, 2009

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE: 18106435-00-000
TRANSACTION NUMBER: 4
APPLICANT: NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106435-00-000 HAS BEEN EXTENDED TO JANUARY 01, 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.

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

PNC BANK

DATE: OCTOBER 01, 2009

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE: 18106435-00-000
TRANSACTION NUMBER: 5
APPLICANT: NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106435-00-000 HAS BEEN EXTENDED TO JANUARY 01, 2011.

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.

02/11/2004 01:47 FAX

chip cat 5216
574359608 75

☑ 002/004

rcvd 2/11/04

APPLICATION FOR IRREVOCABLE LETTER OF CREDIT

ACCOUNT NAME Novi Campus, LLC Date 2/10/04

Billing Address 701 Maiden Choice Ln., Balto. MD Zip 21228 Deposit A/C No. 656523-9

Amount $ 20,000 ☐ Secured ☒ Unsecured Expiration Date: 2/10/05 Line of Credit 574359609701 ~~[illegible]~~

Letter Credit Favor Of: Department of Environmental Quality If Yes, Amount $ 46,000,000 ~~[illegible]~~

Address: 525 West Allegan, Lansing, Michigan 48933 Date Approved: ~~[illegible]~~ 12/5/01

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

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

Purpose of Letter Credit: Construction for an overhead walkway

State Conditional Terms Governing Drawings Under Letter of Credit: See Attached

List Collateral if Secured:

(Corporations or Partnership Sign Below)

Novi Campus, LLC
Name of Corporation or Partnership

By: [signature]

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

D. L. Woelper
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 & TRUST COMPANY
INTERNATIONAL DEPARTMENT
TWO HOPKINS PLAZA / BALTIMORE, MD 21201 / PHONE 410-237-5304

Bank Of America - CD#13 - Control ID#1133

MERCANTILE

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY
BALTIMORE, MARYLAND 212

INDEMNIFICATION AGREEMENT

Date February 10, 2004

In consideration of your issuance of Irrevocable Clean Letter of Credit ("Credit") No. _____

for $ 20,000, in favor of Department of Environmental Quality

For the account of: Novi Campus, 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:

Building at Fox Run, Inc.
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
_____	_____ (SEAL)
Name of Corporation or Partnership	
By _____	_____ (SEAL)
By _____	_____ (SEAL)

I.D.-445020 (4/80)

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

IRREVOCABLE LETTER OF CREDIT
NO. 8575

LC 181064436

Beneficiary:
Director
Department of Environmental Quality
C/o Geological and Land Management Division
Administration and Program Support Section
525 West Allegan
Lansing, Michigan 48933

Date: February 12, 2004
Expiration Date: February 12, 2005

Director, Department of Environmental Quality:

We, Mercantile-Safe Deposit & Trust Company, as the Bank, hereby issue our Irrevocable Letter of Credit Number 8575 in favor of the Michigan Department of Environmental Quality (MDEQ) on behalf of Novi Campus, LLC, hereby referred to as the Principal, for a sum of up to an aggregate amount not to exceed Twenty Thousand and 00/100 Dollars ($20,000.00), available by your drafts at sight drawn on us, located at 2 Hopkins Plaza, Baltimore, MD 21201, Attn: International Department. Drafts must be marked "Drawn under Mercantile-Safe Deposit & Trust Company, Letter of Credit Number 8575, dated February 12, 2004." We are a bank that has the authority to issue Letters of Credit in the state of Maryland.

This Letter of Credit is to provide financial assurance to the MDEQ for the conditions specified in Permit Number 00-63-0495-P (Permit) where the Principal is required to establish a wetland mitigation area that is within the state of Michigan in accordance with the provisions of Part 303, Wetlands Protection, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Part 303), and the administrative rules promulgated thereunder.

The MDEQ may draw on this Letter of Credit in the event that the Director of the MDEQ, or authorized representative(s), in accordance with the provisions of Part 303, and the administrative rules promulgated thereunder, issues a Notice of Violation or other order indicating that the Principal has failed to comply with the requirements of the Permit. These funds shall allow the MDEQ to complete the required mitigation.

Partial drawings are permitted. This original Letter of Credit must be submitted to us together with any drawings hereunder for our endorsement of any payments effected by us and/or for cancellation.

This Letter of Credit shall be, and continue to be, in force for a minimum of one (1) year, but such expiration date shall be automatically extended for periods of one year, unless, not less than 90 days before the current expiration date, we notify both the MDEQ and the Principal by certified mail of our decision not to extend the current expiration date. We agree that the 90-day period shall begin on the date when both you and the Principal have received the notice, as evidenced by the return receipts. If the Principal does not extend the expiration date or establish alternative financial assurance within 30 days after receipt of an expiration or cancellation notice by the Bank, the MDEQ may draw on the Letter of Credit. The Principal is not authorized to cancel the Letter of Credit without written approval from the MDEQ.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

L/C #8575
Page 2

This Letter of Credit is subject to the Uniform Customs and Practices for Documentary Credits, 1993 Revisions, International Chamber of Commerce, Publication No. 500, and the Uniform Commercial Code, where applicable. Where conflicts exist between Uniform Customs and Practices for Documentary Credits and the Michigan Uniform Commercial Code, the Michigan Uniform Commercial Code shall control.

We shall honor drafts drawn under and in compliance with the terms of this Letter of Credit and these drafts will be duly honored upon presentation to us if presented on or before February 12, 2005, or any automatically extended date. The amount of each draft must be endorsed by us on the reverse of this Letter of Credit.

Mercantile-Safe Deposit & Trust Company

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

By: Chip Woelper
Chip Woelper, A.S./A.T.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8575

BENEFICIARY:
Director
Department of Environmental Quality
C/o Geological and Land Management Division
Administration and Program Support Section
525 West Allegan
Lansing, Michigan 48933

DATE: May 19, 2004

When communicating with us, please give
Our L/C 8575

Gentlemen:

We hereby amend our Irrevocable Standby Letter of Credit No. 8575, issued in favor of the Michigan Department of Environmental Quality (MDEQ) for the account of:

Novi Campus, LLC

As follows:

1. Delete Paragraph 1, and replace with: "We, Mercantile-Safe Deposit & Trust Company, as the Bank, hereby issue our Irrevocable Letter of Credit Number 8575 in favor of the Michigan Department of Environmental Quality (MDEQ) on behalf of Novi Campus, LLC, a wholly owned subsidiary of Erickson Retirement Communities, LLC, hereby referred to as the Principal, for a sum of up to an aggregate amount not to exceed Twenty Thousand and 00/100 Dollars ($20,000.00), available by your drafts at sight drawn on us, located at 2 Hopkins Plaza, Baltimore, MD 21201, Attn: International Department. Drafts must be marked "Drawn under Mercantile-Safe Deposit & Trust Company, Letter of Credit Number 8575, dated February 12, 2004." We are a bank that has the authority to issue Letters of Credit in the state of Maryland."

2. Delete paragraph 2, and replace with: "This Letter of Credit is to provide financial assurance to MDEQ for the conditions specified in Permit Number 00-63-0495-P (Permit), issued in the name of Erickson Retirement Communities, LLC, where the Principal is required to establish a wetland mitigation area that is within the state of Michigan in accordance with the provisions of Part 303, Wetlands Protection, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Part 303), and the administrative rules promulgated thereunder."

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

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

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

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

PNCBANK

DATE: SEPTEMBER 17, 2007

DEPARTMENT OF ENVIRONMENTAL QUALITY
SEE COMPLETE NAME AND ADDRESS BELOW
LANSING MI 48933

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:	18106436-00-000
APPLICANT:	NOVI CAMPUS, LLC
AMOUNT:	USD $20,000.00
EXPIRY DATE:	FEBRUARY 12, 2008
EXPIRY PLACE:	BALTIMORE, MARYLAND

WE HEREBY AMEND IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 8575 AS FOLLOWS:

BENEFICIARY NAME AND ADDRESS:

DIRECTOR
DEPARTMENT OF ENVIRONMENTAL QUALITY
C/O GEOLOGICAL AND LAND MANAGEMENT DIVISION
ADMINISTRATION AND PROGRAM SUPPORT SECTION
525 WEST ALLEGAN
LANSING, MICHIGAN 48933

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 18106436-00-000.

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. 18106436-00-000

ALL REFERENCES IN THE LETTER OF CREDIT TO THE ISSUING BANK SHOULD NOW

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

PNC BANK

READ PNC BANK, NATIONAL ASSOCIATION.

ALL REFERENCES IN THE LETTER OF CREDIT TO THE LETTER OF CREDIT NUMBER SHOULD NOW READ 18106436-00-000.

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

PNC BANK

IN REFERENCE TO AMENDMENT UNDER OUR LETTER OF CREDIT NUMBER 18106436-00-000

_____ 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.

DEPARTMENT OF ENVIRONMENTAL QUALITY

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

PNC BANK

DATE: NOVEMBER 13, 2007

DEPARTMENT OF ENVIRONMENTAL QUALITY
SEE COMPLETE NAME AND ADDRESS BELOW
LANSING MI 48933

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE: 18106436-00-000
TRANSACTION NUMBER: 1
APPLICANT: NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106436-00-000 HAS BEEN EXTENDED TO FEBRUARY 12, 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

PNC BANK

DATE: DECEMBER 13, 2007

BENEFICIARY:
DEPARTMENT OF ENVIRONMENTAL QUALITY
SEE COMPLETE NAME AND ADDRESS BELOW
LANSING MI 48933

APPLICANT:
NOVI CAMPUS, LLC
991 CORPORATE BLVD
LINTHICUM HEIGHTS, MD 21090-2227

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: 18106436-00-000
AMENDMENT NUMBER: 2

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18106436-00-000 AS FOLLOWS:

THE EXPIRY DATE IS NOW TO READ: JANUARY 01, 2009.

THIS LETTER OF CREDIT WILL CONTINUE TO AUTOMATICALLY EXTEND ANNUALLY HEREAFTER.

PLEASE SIGNIFY THE BENEFICIARY'S CONSENT TO THIS AMENDMENT BY SIGNING THE ATTACHED COPY OF 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 WE MAY COMPLETE OUR RECORDS.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

Christina Comas
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

PNC BANK

IN REFERENCE TO AMENDMENT NUMBER 2, WE HEREBY AGREE TO THE TERMS AND CONDITIONS OF THIS AMENDMENT. WE FURTHER CERTIFY THAT THE UNDERSIGNED IS AUTHORIZED TO EXECUTE THIS AGREEMENT.

DEPARTMENT OF ENVIRONMENTAL QUALITY

BY: Lois Marinangeli

DATE: 1/17/08

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

PNC BANK

DATE: SEPTEMBER 24, 2008

DEPARTMENT OF ENVIRONMENTAL QUALITY
SEE COMPLETE NAME AND ADDRESS BELOW
LANSING MI 48933

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:	18106436-00-000
TRANSACTION NUMBER:	3
APPLICANT:	NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106436-00-000 HAS BEEN EXTENDED TO JANUARY 01, 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

PNC BANK

DATE: OCTOBER 01, 2009

DEPARTMENT OF ENVIRONMENTAL QUALITY
SEE COMPLETE NAME AND ADDRESS BELOW
LANSING MI 48933

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:	18106436-00-000
TRANSACTION NUMBER:	4
APPLICANT:	NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106436-00-000 HAS BEEN EXTENDED TO JANUARY 01, 2011.

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.

Mail sent to Bank

APPLICATION FOR IRREVOCABLE LETTER OF CREDIT

ACCOUNT NAME Novi Campus, LLC Date June 26, 2003

Billing Address 701 Maiden Choice Lane, Baltimore MD Zip 21228 Deposit A/C No.

Amount $ 1,000,000 ☐ Secured ☒ Unsecured Expiration Date: Line of Credit

Letter Credit Favor Of: City of Novi Treasurer's Office If Yes, Amount $

Address: 45175 West Ten Mile Road Date Approved:

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

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

Purpose of Letter Credit: To ensure completion of the landscape + utilities contracts for Phase I.

State Conditional Terms Governing Drawings Under Letter of Credit:

List Collateral if Secured:

(Corporations or Partnership Sign Below)

Novi Campus 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 & TRUST COMPANY
INTERNATIONAL DEPARTMENT
TWO HOPKINS PLAZA / BALTIMORE, MD 21201 / PHONE 410-237-5304

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY
BALTIMORE, MARYLAND 21201

INDEMNIFICATION AGREEMENT

Date June 26, 2003

In consideration of your issuance of Irrevocable Clean Letter of Credit ("Credit") No. 8385

for $ 1,000,000, in favor of City of Novi - Treasurer's Office

For the account of: Novi Campus, 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:

Buildings at Fox Run Village

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

Novi Campus, LLC
Name of Corporation or Partnership

By _____

By _____

INDIVIDUALS SIGN BELOW

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

LD-445020 (4/80)

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

IRREVOCABLE STANDBY LETTER OF CREDIT
NO. 8385

LC 18106437

BENEFICIARY:
City of Novi-
Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

ISSUANCE DATE: June 27, 2003

EXPIRATION: June 27, 2004

Gentlemen:

We hereby issue Irrevocable Standby Letter of Credit No. 8385 in your favor, for account of Novi Campus, LLC, 701 Maiden Choice Lane, Baltimore, MD 21228 for a sum not exceeding USD $1,000,000.00 (One Million Dollars) available by your draft at sight on Mercantile-Safe Deposit and Trust Company when accompanied by:

Your signed statement as follows:

"We certify that Novi Campus, LLC has failed to perform or comply with conditions specified by the City of Novi regarding the completion of Landscape and Utilities contracts-phase 1, for the Fox Run Village."

It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one year periods from the expiration date hereof, or any future expiration date, unless at least sixty (60) days prior to any expiration date we shall notify you by courier at the address indicated above, unless a change of address is otherwise notified by you to us, in writing, that we elect not to consider this Letter of Credit renewed for any such additional period.

All drafts drawn under this credit must be marked "Drawn under Mercantile-Safe Deposit and Trust Company Letter of Credit No. 8385, dated June 27, 2003".

This Letter of Credit is subject to and governed by Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, 1993 Revision, Publication 500.

This original Letter of Credit and all amendments thereto must be submitted to us together with any drawings hereunder for our endorsement of any payments effected by us and/or for cancellation.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

We engage with you that each draft drawn under and in compliance with the terms of this Letter of Credit will be duly honored on delivery of the documents as specified if presented at this office on or before June 27, 2004, or any automatically extended date.

Mercantile-Safe Deposit & Trust Company

By: _____
Thomas R. F. Jones, Vice President

By: _____
Bruce D. McLean, Senior Vice President

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8385

Date: June 3, 2005

When communicating with us, please give our Ref: L/C 8385

BENEFICIARY:
City of Novi-
Treasurer's Office
45175 West Ten Mile Road
Nova, MI 48375-3024

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8385 issued in your favor on June 27, 2003, for account of:

Novi Campus, LLC

1. Reduce amount by $395,910.00 to a new liability of $604,090.00.

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

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

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

By:
Bruce D. McLean, Senior Vice President

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8385

Date: August 02, 2007

BENEFICIARY:

City of Novi-Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

When communicating with us please give our Ref: L/C 8385

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8385 issued on June 27, 2003, for account of:

Novi Campus, LLC

1. Change Applicants address to read:

991 Corporate Blvd.
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: Barbara R. Wallace
Barbara R. Wallace, Senior Vice President

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

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

PNC BANK

DATE: SEPTEMBER 17, 2007

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:	18106437-00-000
APPLICANT:	NOVI CAMPUS, LLC
AMOUNT:	USD $604,090.00
EXPIRY DATE:	JUNE 27, 2008
EXPIRY PLACE:	BALTIMORE, MARYLAND

WE HEREBY AMEND IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 8385 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 18106437-00-000.

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. 18106437-00-000

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 18106437-00-000.

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

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

PNC BANK

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

PNC BANK

IN REFERENCE TO AMENDMENT UNDER OUR LETTER OF CREDIT NUMBER 18106437-00-000

_____ 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.

CITY OF NOVI

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

PNC BANK

DATE: APRIL 03, 2008

BENEFICIARY:
CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

APPLICANT:
NOVI CAMPUS, LLC
991 CORPORATE BLVD
LINTHICUM HEIGHTS, MD 21090-2227

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: 18106437-00-000
AMENDMENT NUMBER: 2

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18106437-00-000 AS FOLLOWS:

THE EXPIRY DATE IS NOW TO READ: JANUARY 01, 2009.

THIS LETTER OF CREDIT WILL CONTINUE TO AUTOMATICALLY EXTEND AS PROVIDED FOR THEREIN.

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

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PNC BANK, NATIONAL ASSOCIATION
GLOBAL TRADE SERVICE OPERATIONS

Bank Of America - CD#13 - Control ID#1133

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

Swift: PNCCUS33
Telephone: 1-800-632-4689

PNC BANK

CONSENT TO AMENDMENT

IN REFERENCE TO AMENDMENT NUMBER 2:

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

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

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

CITY OF NOVI

BY: Stephen T. Bond

DATE: 4/8/08

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

PNC BANK

DATE: SEPTEMBER 24, 2008

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE: 18106437-00-000
TRANSACTION NUMBER: 3
APPLICANT: NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106437-00-000 HAS BEEN EXTENDED TO JANUARY 01, 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 Sena

DATE: OCTOBER 07, 2009

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:	18106437-00-000
TRANSACTION NUMBER:	4
APPLICANT:	NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106437-00-000 HAS BEEN EXTENDED TO JANUARY 01, 2011.

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
AS

#8172

APPLICATION FOR IRREVOCABLE LETTER OF CREDIT

Received 3/30/06

ACCOUNT NAME: Novi Campus, LLC — Date: 3/17/06

Billing Address: 991 Corporate Blvd, Linthicum Zip 21090 — Deposit A/C No.:

Amount $: 429,202.50 ☒ Secured ☐ Unsecured — Expiration Date: 3/31/2007 — Line of Credit: 5743596597 01

Letter Credit Favor Of: City of Novi — If Yes, Amount $:

Address: Treasurer's Office 45175 West Ten Mile Rd, Novi MI 48375-3024 — Date Approved:

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

☐ Checking Acct. ☒ Loan Advance
☐ Savings Acct. ☒ Other (Describe): Certificate of Deposit $128,437.50
Line of credit #128 $ 300,765.00

Purpose of Letter Credit: Financial guarantee to complete sitework.

State Conditional Terms Governing Drawings Under Letter of Credit: see attached

List Collateral if Secured: Certificate of Deposit → $128,437.50
PNB $300,765 @ 1.5% = $4,511.48
$128,437.50 @ 1.0% = $1,284.38
Total = $5,795.85 1.35% for L/C

(Corporations or Partnership Sign Below)

Novi Campus, 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

D. A. Wade
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

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY
BALTIMORE, MARYLAND 21201

INDEMNIFICATION AGREEMENT

Date 3/17/06

In consideration of your issuance of Irrevocable Clean Letter of Credit ("Credit") No. 8172 naln

for $ 429,202.50, in favor of City of Novi

For the account of: Novi Campus, 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

Novi Campus, LLC.
Name of Corporation or Partnership

By _____

By _____

INDIVIDUALS SIGN BELOW

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

IRREVOCABLE STANDBY LETTER OF CREDIT
NO. 8172

18106438

BENEFICIARY:
City of Novi-Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

DATE: March 31, 2006

EXPIRATION: March 31, 2007

We hereby issue our Irrevocable Standby Letter of Credit No. 8172 in your favor, for account of Novi Campus, LLC, 701 Maiden Choice Lane, Baltimore, MD 21228, for a sum not exceeding USD $429,202.50 available by your draft at sight on Mercantile-Safe Deposit and Trust Company when accompanied by:

Your signed statement as follows: "We certify that Novi Campus, LLC has failed to perform or comply with conditions specified by the City of Novi regarding the completion of site work, for the Novi Campus LLC".

It is a condition of this letter of credit that it shall be deemed automatically extended without amendments for one year periods from the expiration date hereof, or any future expiration date, unless at least sixty (60) days prior to any expiration date we shall notify you by courier at the address indicated above, unless a change of address is otherwise notified by you to us, in writing, that we elect not to consider this letter of credit renewed for any such additional period.

All drafts drawn under this credit must be marked "Drawn under Mercantile-Safe Deposit and Trust Company letter of credit No. 8172".

This letter of credit is subject to and governed by the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, 1993 Revision, Publication No. 500.

This original letter of credit and all amendments thereto must be submitted to us together with any drawings hereunder for our endorsement of any payments effected by us and/or for cancellation.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

We engage with you that each draft drawn under and in compliance with the terms of this credit will be duly honored on delivery of the documents as specified if presented at this office on or before March 31, 2007, or any automatically extended date.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

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

By:
Bruce D McLean, Senior Vice President

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8172

Date: July 5, 2007

When communicating with us please give our Ref: L/C 8172

BENEFICIARY:

City of Novi-Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8172 issued on March 31 2006, for account of:

Novi Campus, LLC

1. Reduce amount by $422,827.50 to a new liability of $6,375.00.

All other terms and conditions remain unchanged.
Immediate notification must be given to us if this amendment is not accepted.
This Letter of Credit 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: D. Seward Woelper
D. Seward Woelper, Assistant Vice President

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8172

Date: August 02, 2007

BENEFICIARY:

City of Novi-Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

When communicating with us please give our Ref: L/C 8172

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8172 issued on March 31 2006, for account of:

Novi Campus, LLC

1. Change Applicants address to read:

991 Corporate Blvd.
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: Barbara R Wallace
Barbara R. Wallace, Senior Vice President

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

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

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

PNCBANK

DATE: SEPTEMBER 17, 2007

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:	18106438-00-000
APPLICANT:	NOVI CAMPUS, LLC
AMOUNT:	USD $6,375.00
EXPIRY DATE:	MARCH 31, 2008
EXPIRY PLACE:	BALTIMORE, MARYLAND

WE HEREBY AMEND IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 8172 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 18106438-00-000.

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. 18106438-00-000

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 18106438-00-000.

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

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

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

PNCBANK

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

PNC BANK

IN REFERENCE TO AMENDMENT UNDER OUR LETTER OF CREDIT NUMBER 18106438-00-000

_____ 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.

CITY OF NOVI

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

JANUARY 9, 2008

PNC BANK

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NON EXTENSION NOTICE

OUR REFERENCE:	18106438-00-000
APPLICANT:	NOVI CAMPUS, LLC
AMOUNT:	USD $6,375.00
EXPIRY DATE:	MARCH 31, 2008
EXPIRY PLACE:	BALTIMORE, MARYLAND

WE REFER TO THE SUBJECT LETTER OF CREDIT ISSUED IN YOUR FAVOR. IN ACCORDANCE WITH THE TERMS OF THIS LETTER OF CREDIT, YOU ARE HEREBY NOTIFIED THAT WE DO NOT ELECT TO EXTEND THIS INSTRUMENT FOR ANY ADDITIONAL PERIOD OF TIME. THE CREDIT WILL, THEREFORE, EXPIRE AT BALTIMORE, MARYLAND ON MARCH 31, 2008.

SHOULD YOU REQUIRE ANY ASSISTANCE, PLEASE CONTACT THE GLOBAL TRADE SERVICE OPERATIONS BY TELEPHONE AT 1-800-682-4689. WHEN REFERRING TO THIS LETTER OF CREDIT, REMEMBER TO QUOTE OUR REFERENCE NUMBER 18106438-00-000.

PNC BANK, NATIONAL ASSOCIATION
GLOBAL TRADE SERVICE OPERATIONS

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

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

PNCBANK

DATE: JANUARY 09, 2008

BENEFICIARY:
CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

APPLICANT:
NOVI CAMPUS, LLC
991 CORPORATE BLVD
LINTHICUM HEIGHTS, MD 21090-2227

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: 18106438-00-000
AMENDMENT NUMBER: 2

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18106438-00-000 AS FOLLOWS:

THE EXPIRY DATE IS NOW TO READ: JANUARY 01, 2009.

YOUR ACCEPTANCE OF THIS EXTENSION WILL RESCIND THE NON-EXTEND NOTICE DATED JANUARY 9, 2008 AND THIS LETTER OF CREDIT WILL CONTINUE TO AUTOMATICALLY EXTEND AS PROVIDED FOR THEREIN.

PLEASE SIGNIFY THE BENEFICIARY'S CONSENT TO THIS AMENDMENT BY SIGNING THE ATTACHED COPY OF 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 WE MAY COMPLETE OUR RECORDS.

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

PNCBANK

IN REFERENCE TO AMENDMENT NUMBER 2, WE HEREBY AGREE TO THE TERMS AND CONDITIONS OF THIS AMENDMENT. WE FURTHER CERTIFY THAT THE UNDERSIGNED IS AUTHORIZED TO EXECUTE THIS AGREEMENT.

CITY OF NOVI

BY: Stephen T. [illegible]

DATE: 1/23/08

FORM116650-0505

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

PNC BANK

DATE: SEPTEMBER 24, 2008

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE: 18106438-00-000
TRANSACTION NUMBER: 3
APPLICANT: NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106438-00-000 HAS BEEN EXTENDED TO JANUARY 01, 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.

Notanto Bene

DATE: OCTOBER 07, 2009

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:	18106438-00-000
TRANSACTION NUMBER:	4
APPLICANT:	NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106438-00-000 HAS BEEN EXTENDED TO JANUARY 01, 2011.

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 Enough
NJ

8173

APPLICATION FOR IRREVOCABLE LETTER OF CREDIT

RECEIVED 3/30/06 mtk.

ACCOUNT NAME Novi Campus, LLC Date 3-3-06.

Billing Address 701 Maiden Choice Lane, Baltimore, Md Zip 21228. Deposit A/C No.

Amount $ 92,325.00 ☐ Secured ☒ Unsecured Expiration Date: 3/31/07 Line of Credit 5743596097O1

Letter Credit Favor Of: City of Novi, If Yes, Amount $

Address: Treasurer's office 45175 West Ten Mile Rd Date Approved:

Novi, MI 48375-3024

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

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

Purpose of Letter Credit: Financial Guarantee to complete Landscape.

State Conditional Terms Governing Drawings Under Letter of Credit: see attached

List Collateral if Secured:

(Corporations or Partnership Sign Below)

Novi Campus, LLC
Name of Corporation or Partnership

By:

By: Jeffrey A. Jacobson, Senior Vice President, CFO.
Fricker Retirement Communities, Member

(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

D. A. Wade
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

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY
BALTIMORE, MARYLAND 21201

INDEMNIFICATION AGREEMENT

Date 3-3-06.

In consideration of your issuance of Irrevocable Clean Letter of Credit ("Credit") No. 8173 nch.
for $ 92,325.00, in favor of City of Novi

For the account of: Novi Campus, 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:

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
Novi Campus, LLC	(SEAL)
Name of Corporation or Partnership	
By _____	(SEAL)
By Jeffrey A Jacobson, Executive Vice President, CFO	(SEAL)

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

LC 18106440

IRREVOCABLE STANDBY LETTER OF CREDIT
NO. 8173

BENEFICIARY:
City of Novi-Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

DATE: March 31, 2006

EXPIRATION: March 31, 2007

We hereby issue our Irrevocable Standby Letter of Credit No. 8173 in your favor, for account of Novi Campus, LLC, 701 Maiden Choice Lane, Baltimore, MD 21228, for a sum not exceeding USD $92,325.00 available by your draft at sight on Mercantile-Safe Deposit and Trust Company when accompanied by:

Your signed statement as follows: "We certify that Novi Campus, LLC has failed to perform or comply with conditions specified by the City of Novi regarding the completion of landscaping, for the Novi Campus, LLC".

It is a condition of this letter of credit that it shall be deemed automatically extended without amendments for one year periods from the expiration date hereof, or any future expiration date, unless at least sixty (60) days prior to any expiration date we shall notify you by courier at the address indicated above, unless a change of address is otherwise notified by you to us, in writing, that we elect not to consider this letter of credit renewed for any such additional period.

All drafts drawn under this credit must be marked "Drawn under Mercantile-Safe Deposit and Trust Company letter of credit No. 8173".

This letter of credit is subject to and governed by the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, 1993 Revision, Publication No. 500.

This original letter of credit and all amendments thereto must be submitted to us together with any drawings hereunder for our endorsement of any payments effected by us and/or for cancellation.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

L/C 8173
Page 2

We engage with you that each draft drawn under and in compliance with the terms of this credit will be duly honored on delivery of the documents as specified if presented at this office on or before March 31, 2007, or any automatically extended date.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

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

By:
Bruce D. McLean, Senior Vice President

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8173

Date: August 02, 2007

BENEFICIARY:

City of Novi-Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

When communicating with us please give our Ref: L/C 8173

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8173 issued on March 31 2006, for account of:

Novi Campus, LLC

1. Reduce amount by $56,152.50 to a new liability of $36,172.50.
2. Change Applicants address to read:

991 Corporate Blvd.
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: Barbara R Wallace
Barbara R. Wallace, Senior Vice President

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

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

PNC BANK

DATE: SEPTEMBER 17, 2007

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:	18106440-00-000
APPLICANT:	NOVI CAMPUS, LLC
AMOUNT:	USD $36,172.50
EXPIRY DATE:	MARCH 31, 2008
EXPIRY PLACE:	BALTIMORE, MARYLAND

WE HEREBY AMEND IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 8173 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 18106440-00-000.

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. 18106440-00-000

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 18106440-00-000.

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

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

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

PNCBANK

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

PNC BANK

IN REFERENCE TO AMENDMENT UNDER OUR LETTER OF CREDIT NUMBER 18106440-00-000

_____ 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.

CITY OF NOVI

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

JANUARY 9, 2008

PNC BANK

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NON EXTENSION NOTICE

OUR REFERENCE:	18106440-00-000
APPLICANT:	NOVI CAMPUS, LLC
AMOUNT:	USD $36,172.50
EXPIRY DATE:	MARCH 31, 2008
EXPIRY PLACE:	BALTIMORE, MARYLAND

WE REFER TO THE SUBJECT LETTER OF CREDIT ISSUED IN YOUR FAVOR. IN ACCORDANCE WITH THE TERMS OF THIS LETTER OF CREDIT, YOU ARE HEREBY NOTIFIED THAT WE DO NOT ELECT TO EXTEND THIS INSTRUMENT FOR ANY ADDITIONAL PERIOD OF TIME. THE CREDIT WILL, THEREFORE, EXPIRE AT BALTIMORE, MARYLAND ON MARCH 31, 2008.

SHOULD YOU REQUIRE ANY ASSISTANCE, PLEASE CONTACT THE GLOBAL TRADE SERVICE OPERATIONS BY TELEPHONE AT 1-800-682-4689. WHEN REFERRING TO THIS LETTER OF CREDIT, REMEMBER TO QUOTE OUR REFERENCE NUMBER 18106440-00-000.

PNC BANK, NATIONAL ASSOCIATION
GLOBAL TRADE SERVICE OPERATIONS

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

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

PNCBANK

DATE: JANUARY 09, 2008

BENEFICIARY:
CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

APPLICANT:
NOVI CAMPUS, LLC
991 CORPORATE BLVD
LINTHICUM HEIGHTS, MD 21090-2227

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: 18106440-00-000
AMENDMENT NUMBER: 2

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18106440-00-000 AS FOLLOWS:

THE EXPIRY DATE IS NOW TO READ: JANUARY 01, 2009.

YOUR ACCEPTANCE OF THIS EXTENSION WILL RESCIND THE NON-EXTEND NOTICE DATED JANUARY 9, 2008 AND THIS LETTER OF CREDIT WILL CONTINUE TO AUTOMATICALLY EXTEND AS PROVIDED FOR THEREIN.

PLEASE SIGNIFY THE BENEFICIARY'S CONSENT TO THIS AMENDMENT BY SIGNING THE ATTACHED COPY OF 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 WE MAY COMPLETE OUR RECORDS.

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

PNCBANK

IN REFERENCE TO AMENDMENT NUMBER 2, WE HEREBY AGREE TO THE TERMS AND CONDITIONS OF THIS AMENDMENT. WE FURTHER CERTIFY THAT THE UNDERSIGNED IS AUTHORIZED TO EXECUTE THIS AGREEMENT.

CITY OF NOVI

BY: _____

DATE: 1/23/08

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

PNC BANK

DATE: SEPTEMBER 24, 2008

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:	18106440-00-000
TRANSACTION NUMBER:	3
APPLICANT:	NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106440-00-000 HAS BEEN EXTENDED TO JANUARY 01, 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 Bene

DATE: OCTOBER 07, 2009

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:	18106440-00-000
TRANSACTION NUMBER:	4
APPLICANT:	NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106440-00-000 HAS BEEN EXTENDED TO JANUARY 01, 2011.

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.

5743596085O6

APPLICATION FOR IRREVOCABLE LETTER OF CREDIT

ACCOUNT NAME Novi Campus, LLC Date 8/10/07

Billing Address 991 Corporate Blvd, Linthicum, MD Zip 21090 Deposit A/C No. 5743596 39999

Amount $ 940,937.00 ☒ Secured ☐ Unsecured Expiration Date: 8/17/2008 Line of Credit 5743596097O1

Letter Credit Favor Of: City of Novi If Yes, Amount $

Address: Treasury Office 45755 West Ten Mile Rd, Date Approved:

Novi, MI 48375-3024

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

☐ Checking Acct. ☐ Loan Advance
☐ Savings Acct. ☒ Other (Describe) Line of Credit - 5743596097O1

Purpose of Letter Credit: Financial guarantee to complete site work Fox Run Village, Phase II

State Conditional Terms Governing Drawings Under Letter of Credit:

PA# 1733997	= INVESTOR #	06	Percentage	6.08696
PA# 1974021	= "	03	"	13.04348
PA# 4077731	=	08	"	21.73913
PA# 4258190	=	07	"	16.30435

List Collateral if Secured: Line of Credit # 5743596097O1

(Corporations or Partnership Sign Below)

Novi Campus, LLC
Name of Corporation or Partnership

By: [signature]

By: Sr. Vice President, Erickson Retirement Communities, Member

(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

[signature]
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 & TRUST COMPANY
INTERNATIONAL DEPARTMENT
TWO HOPKINS PLAZA / BALTIMORE, MD 21201 / PHONE 410-237-5304

Bank Of America - CD#13 - Control ID#1133

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY
BALTIMORE, MARYLAND 21201

INDEMNIFICATION AGREEMENT

Date 8/10/07

In consideration of your issuance of Irrevocable Clean Letter of Credit ("Credit") No. _____

for $ 940,937.00, in favor of City of Novi

For the account of: Novi Campus, 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:

Line of Credit 5743596097 01

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

Novi Campus, LLC
Name of Corporation or Partnership

By Erickson Retirement Communities, LLC
Member

By _____
Sr. Vice President

I.D.-445020 (4/80)

INDIVIDUALS SIGN BELOW

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

IRREVOCABLE STANDBY LETTER OF CREDIT
NO. 8506

LC 18107820

BENEFICIARY:
City of Novi-Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

DATE: August 17, 2007

EXPIRATION: August 17, 2008

We hereby issue our Irrevocable Standby Letter of Credit No. 8506 in your favor, for account of Novi Campus, LLC, 991 Corporate Blvd, Linthicum, MD 21090, for a sum not exceeding USD $940,937.00 available by your draft at sight on Mercantile-Safe Deposit and Trust Company when accompanied by:

Your signed statement as follows: "We certify that Novi Campus, LLC has failed to perform or comply with conditions specified by the City of Novi regarding the completion of site work/Utilities for Phase II for the Novi Campus LLC".

It is a condition of this letter of credit that it shall be deemed automatically extended without amendments for one year periods from the expiration date hereof, or any future expiration date, unless at least sixty (60) days prior to any expiration date we shall notify you by courier at the address indicated above, unless a change of address is otherwise notified by you to us, in writing, that we elect not to consider this letter of credit renewed for any such additional period.

All drafts drawn under this credit must be marked "Drawn under Mercantile-Safe Deposit and Trust Company letter of credit No. 8506".

This letter of credit is subject to and governed by the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, 2007 Revision, Publication No. 600.

This original letter of credit and all amendments thereto must be submitted to us together with any drawings hereunder for our endorsement of any payments effected by us and/or for cancellation.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

L/C 8506
Page 2

We engage with you that each draft drawn under and in compliance with the terms of this credit will be duly honored on delivery of the documents as specified if presented at this office on or before August 17, 2008.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____
Stephen P. Richter, Senior Vice President

By: _____
D. Seward Woelper, Assistant Vice President

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

PNC BANK

DATE: SEPTEMBER 17, 2007

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:	18107820-00-000
APPLICANT:	NOVI CAMPUS, LLC
AMOUNT:	USD $940,937.00
EXPIRY DATE:	AUGUST 17, 2008
EXPIRY PLACE:	BALTIMORE, MARYLAND

WE HEREBY AMEND IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 8506 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 18107820-00-000.

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. 18107820-00-000

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 18107820-00-000.

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

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

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

PNCBANK

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

PNC BANK

IN REFERENCE TO AMENDMENT UNDER OUR LETTER OF CREDIT NUMBER 18107820-00-000

_____ 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.

CITY OF NOVI

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

PNCBANK

DATE: JANUARY 18, 2008

BENEFICIARY:
CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

APPLICANT:
NOVI CAMPUS, LLC
991 CORPORATE BLVD
LINTHICUM HEIGHTS, MD 21090-2227

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: 18107820-00-000
AMENDMENT NUMBER: 2

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18107820-00-000 AS FOLLOWS:

THE AMOUNT IS DECREASED BY: USD $771,512.00
TOTAL LIABILITY AMOUNT NOW TO READ: USD $169,425.00

EFFECTIVE DATE OF THE DECREASE IS JANUARY 9, 2008.

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

PNC BANK

DATE: APRIL 04, 2008

BENEFICIARY:
CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

APPLICANT:
NOVI CAMPUS, LLC
991 CORPORATE BLVD
LINTHICUM HEIGHTS, MD 21090-2227

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: 18107820-00-000
AMENDMENT NUMBER: 3

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18107820-00-000 AS FOLLOWS:

THE EXPIRY DATE IS NOW TO READ: JANUARY 01, 2009.

THIS LETTER OF CREDIT WILL CONTINUE TO AUTOMATICALLY EXTEND AS PROVIDED FOR THEREIN.

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

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PNC BANK, NATIONAL ASSOCIATION
GLOBAL TRADE SERVICE OPERATIONS

Bank Of America - CD#13 - Control ID#1133

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

PNCBANK

CONSENT TO AMENDMENT

IN REFERENCE TO AMENDMENT NUMBER 3:

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

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

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

CITY OF NOVI

BY: _____

DATE: 4/8/08

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

PNC BANK

DATE: SEPTEMBER 25, 2008

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:	18107820-00-000
TRANSACTION NUMBER:	4
APPLICANT:	NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18107820-00-000 HAS BEEN EXTENDED TO JANUARY 01, 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.

DATE: OCTOBER 07, 2009

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:	18107820-00-000
TRANSACTION NUMBER:	5
APPLICANT:	NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18107820-00-000 HAS BEEN EXTENDED TO JANUARY 01, 2011.

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.

Dot Sent
NS

5743596 J # 8661

APPLICATION FOR IRREVOCABLE LETTER OF CREDIT

ACCOUNT NAME Novi Campus, LLC Date June7, 2004

Billing Address 701 Maiden Choice Ln Baltimore, MD Zip 21228 Deposit A/C No.

Amount $ 1,800.00 ☐ Secured ☐ Unsecured Expiration Date: Line of Credit 5743596 09701 39999

Letter Credit Favor Of: City of Novi If Yes, Amount $ 46mm

Address: 45175 W. Ten Mile Road Date Approved:

Novi, MI 48375-3024

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

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

Purpose of Letter Credit: Financial Guarantee Wetland

State Conditional Terms Governing Drawings Under Letter of Credit:

List Collateral if Secured:

(Corporations or Partnership Sign Below)

Novi Campus, 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

Bank Of America - CD#13 - Control ID#1133

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY
BALTIMORE, MARYLAND 21201

INDEMNIFICATION AGREEMENT

Date June 7, 2004

In consideration of your issuance of Irrevocable Clean Letter of Credit ("Credit") No. 8661 nob.

for $ 1,800.00, in favor of City of Novi

For the account of: Novi Campus, 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:

Fox Run Village - Phase II

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

Novi Campus, LLC
Name of Corporation or Partnership

By Jeffrey A Jacobson

By

INDIVIDUALS SIGN BELOW

(SEAL)

(SEAL)

(SEAL)

LD-445020/4/80

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

IRREVOCABLE STANDBY LETTER OF CREDIT
NO. 8661

LC 18106431

BENEFICIARY:
City of Novi – Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

DATE: June 14, 2004
EXPIRATION: June 14, 2005

Gentlemen:

We hereby issue our Irrevocable Standby Letter of Credit No. 8661 in your favor, for account of Novi Campus, LLC., 701 Maiden Choice Lane, Baltimore, MD 21228, for a sum not exceeding USD 1,800.00 (One Thousand Eight Hundred and 00/100) US Dollars, available by your draft at sight on Mercantile-Safe Deposit and Trust Company, when accompanied by:

1. Your signed statement as follows: "We certify that Novi Campus, LLC has failed to perform or comply with conditions specified by The City of Novi regarding the completion of Wetland, for the Fox Run Village – Phase II project."

It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one year periods from the expiration date hereof, or any future expiration date, unless at least sixty (60) days prior to any expiration date we shall notify you by courier at the address indicated above unless a change of address is otherwise notified by you to us, in writing, that we elect not to consider this Letter of Credit renewed for any such additional period.

All drafts drawn under this credit must be marked "Drawn under Mercantile-Safe Deposit and Trust Company Letter of Credit No. 8661, dated June 14, 2004".

This Letter of Credit is subject to and governed by The Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, 1993 Revision, Publication 500.

This original letter of credit an all amendments thereto must be submitted to us together with any drawings hereunder for our endorsement of any payments effected by us and/or for cancellation.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

L/C 8661
Page 2

We engage with you that each draft drawn under and in compliance with the terms of this credit will be duly honored on delivery of the documents as specified if presented at this office on or before June 14, 2005 or any automatically extended date.

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY

By: _____
Barbara R. Wallace, Vice President

By: _____
Bruce D. McLean, Senior Vice President

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. 8661

Date: August 02, 2007

BENEFICIARY:

City of Novi-Treasurer's Office
45175 West Ten Mile Road
Novi, MI 48375-3024

When communicating with us please give our Ref: L/C 8661

Gentlemen:

We hereby amend our Irrevocable Letter of Credit Number 8661 issued on June 14, 2004, for account of:

Novi Campus, LLC

1. Change Applicants address to read:

991 Corporate Blvd.
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: Barbara R Wallace
Barbara R. Wallace, Senior Vice President

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

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

PNC BANK

DATE: SEPTEMBER 17, 2007

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE:	18106431-00-000
APPLICANT:	NOVI CAMPUS, LLC
AMOUNT:	USD $1,800.00
EXPIRY DATE:	JUNE 14, 2008
EXPIRY PLACE:	BALTIMORE, MARYLAND

WE HEREBY AMEND IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 8661 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 18106431-00-000.

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. 18106431-00-000

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 18106431-00-000.

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

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

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

PNCBANK

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

PNCBANK

IN REFERENCE TO AMENDMENT UNDER OUR LETTER OF CREDIT NUMBER 18106431-00-000

_____ 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.

CITY OF NOVI

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

PNC BANK

DATE: APRIL 03, 2008

BENEFICIARY:
CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

APPLICANT:
NOVI CAMPUS, LLC
991 CORPORATE BLVD
LINTHICUM HEIGHTS, MD 21090-2227

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE: 18106431-00-000
AMENDMENT NUMBER: 2

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 18106431-00-000 AS FOLLOWS:

THE EXPIRY DATE IS NOW TO READ: JANUARY 01, 2009.

THIS LETTER OF CREDIT WILL CONTINUE TO AUTOMATICALLY EXTEND AS PROVIDED FOR THEREIN.

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

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PNC BANK, NATIONAL ASSOCIATION
GLOBAL TRADE SERVICE OPERATIONS

Bank Of America - CD#13 - Control ID#1133

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

Swift: PNCCUS33
Telephone: 1-800-682-4650

PNC BANK

CONSENT TO AMENDMENT

IN REFERENCE TO AMENDMENT NUMBER 2:

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

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

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

CITY OF NOVI

BY: _____

DATE: 4/8/08

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

PNC BANK

DATE: SEPTEMBER 24, 2008

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:	18106431-00-000
TRANSACTION NUMBER:	4
APPLICANT:	NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106431-00-000 HAS BEEN EXTENDED TO JANUARY 01, 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 Bene.

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

PNC BANK

DATE: OCTOBER 01, 2009

CITY OF NOVI
TREASURERS OFFICE
45175 WEST TEN MILE ROAD
NOVI, MI 48375-3024

NOTICE OF AUTOMATIC EXTENSION

OUR REFERENCE:	18106431-00-000
TRANSACTION NUMBER:	5
APPLICANT:	NOVI CAMPUS, LLC

THIS NOTICE IS TO ADVISE YOU THAT THE EXPIRATION DATE OF THE REFERENCED LETTER OF CREDIT NUMBER 18106431-00-000 HAS BEEN EXTENDED TO JANUARY 01, 2011.

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 negotiable

EXHIBIT 3

"Construction Loan Agreement"

1. Construction Loan Agreement
2. First Comprehensive Amendment To Loan Documents
3. Waiver And Extension Agreement
4. Second Comprehensive Amendment To Loan Documents
5. Third Comprehensive Amendment To Loan Documents
6. Fourth Comprehensive Amendment To Loan Documents
7. Extension And Modification Agreement
8. Second Extension And Modification Agreement
9. Third Extension And Standstill Agreement
10. Forbearance Agreement
11. Second Forbearance Agreement

Bank Of America - CD#13 - Control ID#1133

Document: 1.1

CONSTRUCTION LOAN AGREEMENT

THIS CONSTRUCTION LOAN AGREEMENT (this "Agreement") is made and entered into as of the 12th day of February, 2002, by and between **NOVI CAMPUS, LLC**, a Maryland limited liability company qualified to do business in Michigan (the "Borrower"), and **MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY**, a Maryland banking corporation (the "Lender").

RECITALS

A. The Borrower has applied to Lender for a revolving loan and letter of credit facility in the aggregate principal amount at any one time outstanding not to exceed Forty-Six Million Dollars ($46,000,000) (the "Loan") to be used on a revolving basis for the following purposes: (a) for acquisition by the Borrower of certain Land (hereinafter defined) located on Thirteen Mile Road in The City of Novi, Oakland County, Michigan; (b) for advances to the Borrower for the construction of a continuing care retirement community containing approximately one thousand four hundred ninety-seven (1,497) independent living units, one hundred twenty-eight (128) assisted living apartments and one hundred ninety (190) skilled nursing beds on the Land (hereinafter defined), such community to be known as "Fox Run Village Retirement Community"; (c) for the issuance of letters of credit in connection with the development of Fox Run Village Retirement Community; (d) for advances to the Borrower, the proceeds of which are to be reloaned to the lessee of Fox Run Village Retirement Community to meet such lessee's general working capital needs; and (e) for payment of interest due with respect to the Loan; and (f) for payment of certain Development Distributions (hereinafter defined) on the terms provided for herein.

The land and improvements comprising Fox Run Village Retirement Community will be leased by the Borrower (in phases as construction progresses) to Fox Run Village, Inc., a Maryland non-profit corporation (the "Tenant"). The Tenant will enter into a Management and Marketing Agreement with Erickson Retirement Communities, LLC, a Maryland limited liability company (the "Manager"), pursuant to which the Manager will provide management services to the Tenant.

The Lender has agreed to make the Loan on the terms and conditions set forth in this Agreement and the other Loan Documents (hereinafter defined)

AGREEMENTS

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

ARTICLE I

TERMS AND DEFINITIONS

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

1.1. Applicants: Those persons who have applied to become Residents of Fox Run Village Retirement Community by submitting Applications.

1.2. Applications: The applications signed by persons who wish to become Residents of Fox Run Village Retirement Community.

1.3. Architect's Agreement: Collectively, any and all agreements between the Borrower and Nordstrom Samson Associates and/or any other architect or architectural services firm (individually and collectively the "Architect") providing for architectural services in connection with the Project.

1.4. Bank Accounts: Collectively, the Designated Tenant Account, the Borrower Collateral Account, the Reserve Account, the Restricted Account, the Lockbox Account, the Borrower Operating Account and the FRVI Operating Account.

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

1.6. Borrower/Guarantor Group: The group consisting of the Borrower and the Guarantors.

1.7. Borrower Operating Account. The bank account of the Borrower with the Lender into which all amounts receivable by the Borrower from and out of the Lockbox Account shall be deposited.

1.8. Borrower's Operating Agreement: The Operating Agreement of the Borrower executed as of September 26, 2000, including only those amendments, assignments, extensions, restatements, additions, supplements, and substitutions therefor which are hereafter approved by the Lender in writing.

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

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

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

1.12. Collateral Assignment of Project Documents: That certain Collateral Assignment of Project Documents of even date herewith executed by the Borrower in favor of the Lender pursuant to which the Borrower has assigned to the Lender as collateral for its obligations under

the Loan Documents all right, title and interest of the Borrower in, to and under all contracts relating to the Project.

1.13. Commitment Letter: The Commitment Letter dated January 7, 2002 from the Lender to the Borrower (and accepted by the Borrower on January 14, 2002) setting forth the terms and conditions on which the Lender will enter into the Loan Documents and make the Loan to the Borrower.

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

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

1.16. Completion Agreements: All agreements to complete executed by the Architect, the Engineer, the Contractor, the Construction Manager, any other contractor or subcontractor, architect, engineer or other professional or service organization agreeing to complete work on the Project for the account of the Lender as and when required therein.

1.17. Completion Date: The date by which Substantial Completion of a particular Construction Phase of the Project (including submission of all documents described in Section 5.1 of this Agreement) must occur, which shall be ninety (90) days after the date shown on Schedule I for each of Construction Phases CB10 through RB21 of the Project, and six (6) months after the date shown on Schedule I for each of the remaining Construction Phases of the Project, unless the Lender consents in writing to an extension of any such date.

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

1.19. Construction Inspector: A registered engineer and/or architect retained by the Lender, in its discretion, at the expense of the Borrower, to perform the duties set forth herein.

1.20. Construction Manager: Erickson Construction, LLC, a Maryland limited liability company.

1.21. Construction Management Agreement: The Construction Management Agreement dated as of the date hereof by and between the Developer and the Construction Manager providing for construction management services to be performed by the Construction Manager for the Developer in connection with the development of the Project.

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

1.23. Continuing Care Units: Collectively, all of the units available for occupancy at Fox Run Village Retirement Community, including all independent living units, assisted living units and nursing units.

1.24. Contractor: Collectively, any and all general contractor performing work on the Project.

1.25. Curative Rights Agreement: The Curative Rights Agreement of even date herewith between the Lender and the Tenant pursuant to which the Tenant has granted the Lender the right to cure any default of the Borrower under the Community Loan Documents, the Working Capital Loan Documents or the Lease.

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

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

1.28. Designated Tenant Account: The bank account maintained by the Tenant into which all Entrance Fees are to be deposited upon delivery by the Escrow Agent to the Tenant.

1.29. Developer: Erickson Retirement Communities, LLC, a Maryland limited liability company, which is one of the Guarantors and has also been retained as the initial Manager of Fox Run Village Retirement Community.

1.30. Development Agreement: That certain Development Agreement dated of even date herewith by and between the Borrower and the Developer relating to the development of Fox Run Village Retirement Community, including only those amendments, assignments, extensions, restatements, additions, supplements and substitutions therefor which are hereafter approved by the Lender in writing.

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

1.32. Engineer's Agreement: Collectively, any and all agreements between the Borrower, as owner, and Zeimet/Wozniak Associates, Inc. as civil engineer for the Project, and Kenneth Weikal Landscape Architecture as landscape architect for the Project, and/or any other landscape architect, engineer or engineering services firm (individually and collectively, the "Engineer") providing for landscape architecture and/or engineering services in connection with the Project.

1.33. Entrance Fee Deposits: All deposits made by Residents toward the Entrance Fees payable under the Residence and Care Agreements, including the "Priority List" deposit, the "90 Day" deposit, the "180 Day" deposit and the "10%" deposit, and all other deposits described on the Deposit Schedule and Move-in Check List attached hereto as Schedule II.

1.34. Entrance Fees: All amounts identified as comprising the "Entrance Fees" under the form of Residence and Care Agreement approved by the Lender for use at Fox Run Village Retirement Community, including all Entrance Fee Deposits.

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

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

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

1.38. Escrow Agent: The Escrow Agent named as such in, and acting pursuant to, the Escrow Agreement, which at the time of execution of this Agreement is Comerica Bank.

1.39. Escrow Agreement: The Fox Run Village Escrow Agreement dated December 17, 2001 by and among the Tenant, the Escrow Agent and the Manager, as the same may be further amended from time to time with approval of the Lender.

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

1.41. Face Amount of Loan: Forty-Six Million Dollars ($46,000,000).

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

1.43. First Residential Construction Phase: The initial Residential Construction Phase of the Project, which is Construction Phase RB11 shown on Schedule I attached hereto.

1.44. Fox Run Village Retirement Community: The continuing care retirement community to be constructed on the Land by the Borrower, and to be leased to the Tenant and managed by the Manager, containing approximately one thousand four hundred ninety-seven (1,497) independent living units, one hundred twenty-eight (128) assisted living apartments and one hundred ninety (190) skilled nursing beds.

1.45. FRVI Operating Account: The "Operating Account" as that term is defined in the Lockbox Account Agreement.

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

1.47. Guaranty: The Guaranty Agreement of even date herewith pursuant to which Erickson Retirement Communities, LLC and Erickson Group, LLC, each a Maryland limited liability company, have guaranteed payment of the Loan and performance of the Borrower's obligations in connection with the Loan.

1.48. Guarantors: The entities which have guaranteed to the Lender payment of the Loan and performance of the Borrower's obligations in connection with the Loan under the Guaranty.

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

1.50. Initial Entrance Fees: The Entrance Fees received from all initial occupants of Continuing Care Units at Fox Run Village Retirement Community, as described in the Residence and Care Agreements, including all amounts paid under any promissory note accepted from a Resident at the time of settlement on his or her Unit.

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

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

1.53. Land: The real property on which Fox Run Village Retirement Community is to be located, initially consisting of approximately 102 acres of land on Thirteen Mile Road in The City of Novi, Oakland County, Michigan, as more particularly described in the Mortgage.

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

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

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

1.57. Loan: The revolving loan and letter of credit facility from the Lender to the Borrower in the maximum amount of Forty-Six Million Dollars ($46,000,000).

1.58. Loan Documents: Collectively, this Agreement, the Note, the Mortgage, the Assignment of Project Documents, the Guaranty, the Completion Agreements, the Security Agreement, the Pledge Agreement, the Subordination Agreements, the Curative Rights Agreement, and any and all certificates, opinions, assignments and other documents executed in connection therewith, and all other documents including documents executed or delivered by Borrower, Grantors, Guarantors, Manager, Tenant, Developer, Erickson and/or his spouse, Architect, Engineer, Contractor, Construction Manager, Escrow Agent and/or any of the parties

which prepared the Environmental Reports, upon which the Lender has relied in making the Loan, together with any and all amendments, assignments, extensions, restatements, additions, supplements and substitutions therefor.

1.59. Lockbox Account. The lockbox account described in the Lockbox Account Agreement and into which all Resident Fees (as defined in the Lockbox Account Agreement) are to be paid by the Residents of Fox Run Village Retirement Community.

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

1.61. Management Agreement: The Management and Marketing Agreement dated of even date herewith between the Tenant and the Manager, including only those amendments, assignments, extensions, restatements, additions, supplements and substitutes therefor which are hereafter approved by the Lender in writing.

1.62. Manager: The manager of Fox Run Village Retirement Community, which as of the date of this Agreement is Erickson Retirement Communities, LLC (one of the Guarantors and the Developer).

1.63. Maturity Date: February 1, 2009, or such later date as the Lender may, in its sole discretion, designate as the maturity date of the Loan, subject, however, to acceleration of the Loan or demand for mandatory prepayment of the Loan on the terms provided in the Note.

1.64. Monthly Fees. All fees and charges paid by Residents of Fox Run Village Retirement Community, whether on a monthly or other basis, except for Entrance Fees.

1.65. Mortgage: That certain Mortgage of even date herewith executed by the Borrower in favor of the Lender covering the Property to be recorded among the land records of Oakland County, Michigan.

1.66. Note: The Revolving Loan Note of even date herewith evidencing the Loan, the aggregate principal amount of which at any time outstanding is not to exceed $46,000,000.

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

1.68. Pledge Agreement: The Member Interests Pledge Agreement of even date herewith pursuant to which the member of the Borrower has pledged its member interests in the Borrower to the Lender as collateral for the Loan.

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

1.70. Priority List Deposit: The $1,000 deposit shown on the Deposit Schedule under the heading "Priority List" and identified in the form of Residence and Care Agreement approved by the Lender for use at Fox Run Village Retirement Community.

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

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

1.73. Reservation Deposit: The $2,000 deposit shown on the Deposit Schedule under the heading "Reservation."

1.74. Reserve Account: The Reserve Account for the Project established by the Tenant and described as such in the Community Documents.

1.75. Residence and Care Agreements: The Residence and Care Agreements to be entered into by and between the Tenant and each Resident of the Fox Run Village Retirement Community, all of which shall be in the form approved by the Lender.

1.76. Resident: A resident of Fox Run Village Retirement Community pursuant to the terms of a Residence and Care Agreement.

1.77. Residential Construction Phase: Those Construction Phases of the Project shown on Schedule I attached hereto and designated as Construction Phases RB11, RB12, RB13, RB14, RB15, RB21, RB22, RB23, RB24, RB25, RB31, RB32, RB33 and RB34, each of which is a residential building.

1.78. Restricted Account. The Restricted Account of the Tenant which is required to be maintained by the Tenant, and which is pledged to the Borrower under the provisions of the Lease.

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

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

1.81. Subordination Agreements: Collectively, (a) the Subordination Agreement by and among the Lender, the Borrower, the Guarantors and Erickson and his spouse; (b) the Subordination Agreement by and among the Lender, the Borrower, the Guarantors and the Construction Manager; (c) the Subordination Agreement by and between the Lender, the Borrower, the Guarantors and the Tenant; (d) the Tenant Subordination Agreement by and between the Tenant and the Lender; and (e) the Manager Subordination Agreement by and between the Manager and the Lender, each of even date herewith.

1.82. Substantial Completion: As applied to a Construction Phase, the date when (except for minor items which can be fully completed without material interference with the use

of the Construction Phase or the Improvements constructed in such Construction Phase) all work required by the Plans and Specifications, the Construction Contract and all related construction documents for such Construction Phase has been fully and finally completed and a Certificate of Occupancy for each Unit constructed in such Construction Phase has been issued.

1.83. Tenant: Fox Run Village , Inc., a Maryland non-profit corporation, as well as any successor tenant of the Property.

1.84. Tenant Futures List: The list of prospective Residents of Fox Run Village Retirement Community who have not yet committed to a particular Unit or to the next available Unit of a particular type and are accordingly not listed on the Tenant Reserve List or the Tenant Standby List.

1.85. Tenant Reserve List: The list of prospective Residents of Fox Run Village Retirement Community maintained by the Tenant showing Applicants who have committed to a particular Unit and have paid the Priority List Deposit and the Reservation Deposit required by the Tenant.

1.86. Tenant Standby List: The list of prospective Residents of Fox Run Village Retirement Community maintained by the Tenant showing Applicants who have committed to the next available Unit of a particular type and have paid the Priority List Deposit required by the Tenant.

1.87. Title Company: Chicago Title Insurance Company, acting by and through its National Business Unit in Washington, D.C.

1.88. Unit: A residential unit at Fox Run Village Retirement Community, which may be either an independent living unit or a healthcare (i.e. assisted living or nursing) unit.

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

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

ARTICLE II

THE LOAN

2.1. Loan Advances:

(a) Commitment. Subject to the Borrower's satisfaction of the requirements and conditions set forth in this Agreement, the Lender agrees to make Loan advances under the Note to the Borrower from time to time from the date hereof until the Maturity Date, in an aggregate principal amount outstanding at any one time (including Letters of Credit issued and Working Capital Advances made at the request of the Borrower in connection with the Project) not to exceed Forty-Six Million Dollars ($46,000,000). Loan proceeds shall be advanced (or reserved) for the following purposes:

(i) for acquisition of the Land

(ii) for the construction of the Improvements;

(iii) for the issuance of Letters of Credit in connection with the Project;

(iv) for Working Capital Advances to the Borrower, the proceeds of which are to be reloaned to the Tenant under the Working Capital Loan Documents to meet the Tenant's general working capital needs for the Project, all of which advances shall be subject to the approval of the Lender in its sole discretion;

(v) for payment of interest due to the Lender with respect to the Loan; and

(vi) for payment of Development Distributions on the terms provided for herein.

Anything in the Loan Documents to the contrary notwithstanding:

(1) at no time shall the Lender be required to make any advance of the Loan which would increase the amount of all outstanding Working Capital Advances above Sixteen Million Dollars ($16,000,000) or the amount of all issued and outstanding Letters of Credit above Two Million Dollars ($2,000,000);

(2) no Loan advances shall be made for the Pre-Development Soft Costs;

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

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

(5) the portion of all advances relating to overhead expenses of the Borrower and/or any of its affiliates (including the Guarantors and the Construction Manager) shall at all times be subject to approval of the Lender, in its reasonable discretion.

(b) Borrowing Procedure. The Borrower shall give the Lender at least seven (7) Business Days' prior notice of the amount of any proposed borrowing hereunder, except for draws to pay interest on the Loan, which shall be advanced automatically by the Lender unless the Borrower gives the Lender at least two (2) Business Days' notice prior to an Interest Payment Date that the Borrower will pay the interest due on such date with funds other than Loan proceeds, and actually makes each such payment on the identified Interest Payment Date.

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

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

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

2.3. Making of Payments: All payments (including prepayments) of principal of, or interest on, the Loan, shall be made in U.S. Dollars and in immediately available funds at the principal office of the Lender in Baltimore, Maryland, on the dates set forth in the Note, and shall be accompanied by a complete accounting and reconciliation with respect to all Entrance Fees received, Units settled and other information the Lender may request, all in form and content acceptable to the Lender. All such payments shall be made without any setoff or counterclaim, and free and clear of any restrictions or conditions, and free and clear of and without deduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature now or hereafter imposed by any governmental or other authority. If the Borrower or the Lender is compelled by law to make any such deductions or withholdings, the Borrower will pay such additional amounts as may be necessary in order that the net amounts received by the Lender after such deductions or withholdings shall equal the amount the Lender would have received had no such deductions or withholdings been required to be made, and the Borrower will provide the Lender with evidence satisfactory to the Lender that it has paid such deductions or withholdings.

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

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

2.6. Lender's Fee: On the Closing Date, the Borrower shall pay (a) an origination fee in an amount equal to one-half of one percent (½%) of the Face Amount of Loan and an administration fee in an amount equal to one-quarter of one percent (1/4%) of the Face Amount of Loan. The fees so calculated and due on the Closing Date equal, in the aggregate, Three Hundred Forty-Five Thousand Dollars ($345,000).

2.7. Letters of Credit:

(a) Application. Provided no Event of Default has occurred hereunder, the Borrower may apply to the Lender from time to time for the issuance of Letters of Credit in connection with the Project. All applications for Letters of Credit shall be accompanied by such fully executed standard form agreements, including indemnification agreements, as the Lender, in accordance with its then existing current practices relating to the issuance of letters of credit, may require. Each Letter of Credit shall expire no later than thirty (30) days prior to the Maturity Date of the Loan. Under no circumstance shall the face amount of all issued and outstanding Letters of Credit at any point in time exceed Two Million Dollars ($2,000,000) without the prior written consent of the Lender.

(b) Letter of Credit Obligations. (i) The Borrower promises to pay to the Lender the following amounts which are herein called the "Letter of Credit Obligations": (A) the amount of each draft drawn under or purporting to be drawn under a Letter of Credit on the Maturity Date of the Loan, (B) the amount of any and all charges, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which the Lender may charge, pay or incur for drawings under a Letter of Credit, transfers of a Letter of Credit, amendments to and extensions of a Letter of Credit and for the prosecution or defense of any action arising out of or in connection with any Letter of Credit, including, without limitation, any action to enjoin full or partial payment of any draw which is drawn under or purports to be drawn under any Letter of Credit, within fifteen (15) days following invoice by the Lender to the Borrower therefor, and (C) interest payable monthly on all amounts payable under subsections (A) and (B) above from the date incurred until paid in full at a per annum rate of interest equal at all times to the applicable rate in effect from time to time under the Note. The Lender may maintain on its books a letter of credit account (the "Letter of Credit Account") with respect to the Letter of Credit Obligations paid and payable from time to time hereunder. All statements of the Letter of Credit Account rendered by the Lender to the Borrower shall be presumed to be correct and accurate and shall constitute an account statement binding on the Borrower unless, within thirty (30) days after receipt thereof by the Borrower, the Borrower shall deliver to the Lender written objection thereto specifying the error or errors, if any, contained in any such statement; provided, however, that the Lender shall have the right at any time to correct any such statement and deliver such corrected statement to the Borrower.

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

willful misconduct, and (iv) any other events or circumstances whatsoever, whether or not similar to any of the foregoing, provided that such other events or circumstances shall not have constituted gross negligence or willful misconduct of the Lender.

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

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

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

(g) Fees for Letters of Credit. Each Letter of Credit shall require payment of a fee in the amount of one and one-half percent (1½%) of the face amount of such Letter of Credit for each year or portion of a year outstanding. Such fee shall be payable at the time of issuance or renewal of any Letter of Credit, and shall be in addition to the fee described in Section 2.6 of this Agreement. The fee for Letters of Credit issued for initial terms of more than one-year shall be payable in full at the time of issuance.

2.8. Collateral for Loan. The collateral for the Loan will consist of all assets of the Borrower, including all lien rights of the Borrower in and to assets of the Tenant and/or the Manager. The collateral for the Loan will also include direct liens in favor of the Lender on all of the assets of the Manager related to Fox Run Village Retirement Community.

ARTICLE III

CONDITIONS AND REQUIREMENTS FOR INITIAL LOAN ADVANCE FOR PROJECT

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

3.1. Delivery of Documents Prior to Initial Advance for Project: The Lender shall have received the following documents, in form and substance satisfactory to it, and its counsel, at least three (3) Business Days prior to the initial Loan advance relating to the Project:

(a) ALTA mortgagee's title insurance binder issued by the Title Company for an aggregate amount not less than $46,000,000 on the Property, containing such endorsements as the Lender may require in its sole discretion, without exception as to mechanic's or materialman's liens, and without exception as to survey, guaranteeing to the Lender as mortgagee a first lien on the good and marketable title thereto in fee simple, subject to no other liens and with only such other title exceptions as the Lender may approve in writing;

(b) A survey of the Land, with a metes and bounds description, certified to the Lender in a form acceptable to the Lender;

(c) Evidence that Fox Run Village Retirement Community as proposed meets all zoning and subdivision requirements and all Environmental Requirements;

(d) Certificates evidencing insurance coverage required under the Loan Documents, including all insurance coverages required to be maintained by the Contractor;

(e) Evidence as to the availability of adequate sewer, water, electric, gas and other utilities to the Fox Run Village Retirement Community;

(f) Two sets of the final Plans and Specifications for the First Construction Phase of the Project as approved by the Lender and all appropriate governmental authorities, including evidence acceptable to the Lender that all Units to be used for assisted living purposes meet the physical plant standards for licensure of homes for the aged under Michigan law (whether or not such Units are so licensed);

(g) A list of mechanics, laborers, subcontractors and materialmen performing work or supplying goods or materials in connection with the First Construction Phase of the Project in detail acceptable to the Lender, together with a copy of the Construction Contract relating to such Construction Phase and the Architect's Agreement, Engineer's Agreement, Construction Management Agreement and copies of all subcontracts requested by the Lender;

(h) Cost breakdown of all costs for the First Construction Phase of the Project setting forth in such categories as reasonably required by Lender, the utilization of all proceeds of the Loan, and any additional funds available or necessary for completion of such First Construction Phase;

(i) All governmental approvals and certifications required under any of the Loan Documents;

(j) If requested by the Lender, written confirmation from a Construction Inspector that (i) such Construction Inspector has reviewed the Plans and Specifications for the First Construction Phase of the Project, (ii) the documents in which the Lender is granted a security interest by the Assignment of Project Documents satisfactorily provide for the construction and equipment of the Improvements for such Phase, (iii) the Plans and Specifications for such First Construction Phase have been reviewed and approved by all governmental authorities to which such Plans and Specifications are required to be submitted, and (iv) in the opinion of such Construction Inspector the Improvements for such First Construction Phase can be completed for an amount not greater than the lesser of (A) the maximum advances available under the Loan (taking into account the revolving nature of the Loan), together with any available funds of the Borrower (including anticipated loans to the Borrower under the Community Documents), or (B) the projected costs of such First Construction Phase provided by the Borrower to the Lender;

(k) Soil test report, together with a certification by the Construction Inspector, if requested by the Lender, that the results thereof have been incorporated within the Plans and Specifications;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

REQUIREMENTS AND CONDITIONS FOR ALL LOAN ADVANCES

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

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

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

(a) Upon Lender's request, an update to the title binder described in Section 3.1 (or to the policy issued pursuant to such binder) or other endorsement or agreement acceptable to the Lender guaranteeing the Lender's first lien with respect to such advance as required under Section 3.1;

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

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

(d) any other documents deemed necessary by the Lender in connection with the Construction Phase to which an advance relates.

4.3. Residence and Care Agreements:

(a) With respect to advances for each Residential Construction Phase, the Borrower shall have delivered to the Lender evidence acceptable to the Lender that the Tenant has received and accepted Applications from Applicants to either the Tenant Reserve List or the Tenant Standby List (not including Applicants to the Tenant Futures List), together with payment of Priority List Deposits by all such Applicants and payment of Reservation Deposits by those Applicants on the Tenant Reserve List, equal in number to (i) seventy percent (70%) of the Continuing Care Units (as defined in the Residence and Care Agreements) to be constructed as part of such Residential Construction Phase, which Applications specify either (A) by number, a specific Continuing Care Unit in a specific building to be constructed as part of such Residential Construction Phase or (B) that the Applicant will accept the next available unit of the type designated by the Applicant on the Application (e.g. Efficiency, Studio, One Bedroom, Two Bedroom, etc.), and (ii) except in the case of the First Residential Construction Phase, eighty-five percent (85%) of the Continuing Care Units in each prior Residential Construction Phase,

specifying the same matters set forth in subparts (A) and (B) of subsection (i) above. Notwithstanding the foregoing, the Lender reserves the right to exclude from consideration towards the seventy percent (70%) and/or eighty-five percent (85%) requirements, Applications which the Lender, in the Lender's reasonable judgment, believes cannot be accommodated by the Residential Construction Phase at issue. (Applications may be excluded [by way of example and not of limitation] in the event a large number of Applications specify a particular type of Continuing Care Unit which cannot be accommodated in a particular Residential Construction Phase.) The Applications shall be bona fide arm's length contracts with Applicants of the Fox Run Village Retirement Community, such contracts to be reasonably acceptable to the Lender in form and substance. The Lender shall have the right to audit existing Applications at any time, including contacting Applicants, to verify the status of such Applications. At the time of each request for an advance of the Loan, the Borrower shall provide to the Lender the information necessary to demonstrate satisfaction of the requirements of this paragraph, certified to the best of the knowledge, belief and information of an officer of the Borrower and also of either the Manager or the Tenant, which details the Applications received and accepted by the Tenant up to the date of the certification, and contains the following information for each Applicant: (a) the name, address and phone number of such Applicant; (b) the Building number and Unit number or type for which such Applicant has applied; (c) the amount of the Applicant's Priority List Deposit and Reservation Deposit (as applicable), together with the total anticipated Entrance Fee expected to be paid by such Applicant. The Borrower shall also have delivered to the Lender evidence acceptable to the Lender that all monies held in escrow pursuant to the Residence and Care Agreements have been deposited in one or more escrow accounts acceptable to the Lender.

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

4.4. Submission of Disbursement Requests: Disbursements by the Lender shall be made pursuant to monthly requisitions on such forms as are acceptable to the Lender submitted by the Borrower and approved by the Construction Inspector, in such detail as may be required by the Lender. As of the date hereof, the Lender agrees that AIA Document G702 Application is a requisition form acceptable to the Lender. Each requisition shall indicate the percentage of completion and the amounts expended or costs incurred for work done and necessary material delivered to the Project, and shall be accompanied by cost-to-completion projections. Disbursements for labor and services provided by subcontractors shall be subject to retainage equal to ten percent (10%) of each subcontract, until such subcontract is fifty percent (50%) complete, and thereafter five percent (5%) of all requisitions for such items pursuant to such subcontract (any excess to be released by the Lender at that time). The balance of all retainages shall be released following completion of the Phase to which such subcontract relates and upon compliance with the conditions set forth in Article V regarding final advances. No advances will be made for materials delivered to or stored on the Property which have not been physically incorporated into the Project, unless the Borrower has made available for inspection by the Lender (i) written evidence from the seller or fabricator identifying the stored materials and indicating that ownership of the materials is vested, or upon payment therefor will vest, in the Borrower free and clear of liens, and (ii) evidence satisfactory to the Lender that the materials are secured, insured and protected against theft or damage. No advances shall be made for any

non-Project related costs or expenses except as permitted under Section 2.1(a) of this Agreement regarding the Working Capital Advances (subject to the limitations set forth therein on such items). All requisitions for Working Capital Advances and/or for development fees or distributions shall be excluded from the AIA Document G702 and other documentation related to construction costs, and shall instead be submitted under separate cover to the attention of Bruce D. McLean, Senior Vice President of the Lender at the address set forth in Section 10.6 hereof.

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

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

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

(b) If required by the Lender, the Lender shall have received an endorsement to its title insurance policy on the Property, issued at the Borrower's expense, indicating that there has been no change in the status of title and containing no survey exceptions not theretofore approved by the Lender;

(c) If required by the Lender, the Lender shall have received written confirmation from the Construction Inspector that, in such Construction Inspector's opinion, the Project can be completed in accordance with the Plans and Specifications on or prior to the Completion Date for an amount not greater than the aggregate undisbursed portion of all Loan advances (taking into account the revolving nature of the Loan) together with any available funds of the Borrower (including current and future loans to the Borrower from the Tenant);

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

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

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

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

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

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

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

(k) The Lender shall have received evidence that the Borrower has invested Seventeen Million Dollars ($17,000,000) of its own funds in the Project. The amount of Borrower's equity requirement which may consist of Pre-Development Soft Costs shall be determined by the Lender in its sole discretion.

(l) The Borrower shall have provided to Lender copies of paid real estate tax receipts for all property covered by the Mortgage for each semi-annual tax payment date occurring prior to the date of such disbursement.

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

ARTICLE V

REQUIREMENTS AND CONDITIONS FOR FINAL ADVANCE FOR EACH CONSTRUCTION PHASE

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

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

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

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

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

(d) Copies of such additional permits and licenses for final completion and occupancy of the relevant Construction Phase of the Project as may be necessary or required by governmental authorities having jurisdiction over the Project, including, but not limited to, an Order of Registration issued by the Michigan Office of Financial and Insurance Services, and a Certificate of Need (or exemptions therefrom) issued by the Michigan Department of Community Health;

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

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

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

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

ARTICLE VI

GENERAL PROVISIONS REGARDING DISBURSEMENTS

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

6.2. Authorized Disbursements: Notwithstanding any other provision of this Agreement, the Borrower hereby irrevocably authorizes the Lender, at the option of the Lender, after the occurrence of any Default to make disbursements of Loan proceeds (i) directly to the Title Company or any public authority for fees, assessments or taxes owed with respect to the Project, any insurer of the Project to whom premiums are owed for the maintenance of insurance required by the Loan Documents, or to any contractor, subcontractor, laborer, mechanic, supplier or materialmen furnishing labor, services or materials in connection with the Project for any amounts due them in connection therewith, or (ii) directly to the Lender for interest, fees, expenses and any other amounts advanced by the Lender or required to be paid to the Lender under the Note or the other Loan Documents. No further authorization from the Borrower shall be necessary for the Lender to make such direct disbursements, and all such disbursements shall satisfy pro tanto the obligation of the Lender hereunder and shall be secured by the Mortgage.

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

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

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

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

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

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

ARTICLE VIII

COVENANTS

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

8.1. Construction of Improvements: As long as the Lender complies with its funding obligations under this Agreement, the Borrower will cause the Improvements for each Construction Phase to be completed in accordance with the Plans and Specifications for each Construction Phase on or before the Completion Date for each Construction Phase, free and clear of all liens other than the Mortgage and any junior encumbrance permitted thereby. Each intended addition, deletion or modification to the Plans and Specifications shall be approved in writing by the Lender and all governmental authorities to whom such Plans and Specifications are required to be submitted. No modification of or amendment to the Plans and Specifications for any single Construction Phase approved by the Lender, which either (i) results in a change which is structural and material in nature or (ii) results in an increase in construction costs in excess of the contingency amounts shown in the approved budget for any Construction Phase shall be made without prior written approval of the Lender. The Lender shall use its reasonable efforts to approve or deny any request for a change order within seven (7) Business Days.

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

8.3. Financial Statements, Books and Records:

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

(b) The Borrower and the Guarantors shall deliver to the Lender within twenty-one (21) days after the close of each calendar month of each calendar year, beginning with the calendar month during which this Agreement was executed, a balance sheet, statements of income and expense and retained earnings and a statement of cash flows, on both a consolidated and consolidating basis for all such entities, for that portion of the fiscal year-to-date then ended, prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year (or containing disclosure of the effect on financial position or results of operations of any change in the application of generally accepted accounting principles during the year), prepared and certified as to accuracy by the chief financial officer of Erickson Retirement Communities, LLC (one of the Guarantors, which is also the initial Manager and the Developer), on behalf of such entity as a member of the

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

(c) The Borrower and each of the Guarantors shall deliver to the Lender within ninety (90) days after the close of each fiscal year beginning with the fiscal year ended December 31, 2001, a draft balance sheet for itself and for the Tenant and the Construction Manager as of the close of such fiscal year and draft statements of income and retained earnings and a statement of cash flows, on both a consolidated and consolidating basis for all such entities, for the year then ended, prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year (or containing disclosure of the effect on financial position or results of operations of any change in the application of generally accepted accounting principles during the year), by a firm of independent certified public accountants acceptable to the Lender. The Borrower and the Guarantors shall deliver to the Lender within one hundred twenty (120) days after the close of each fiscal year beginning with the fiscal year ended December 31, 2001, a finalized balance sheet and financial statements described in the immediately preceding sentence, prepared in the same manner as aforesaid, all of which shall be audited by a firm of independent certified public accountants acceptable to the Lender.

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

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

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

(g) The Borrower will deliver or cause the Guarantors to deliver to the Lender within twenty-one (21) days after the end of each fiscal quarter of Erickson Retirement Communities, LLC a project status report for the Project and for any other continuing care retirement community or other project being developed, managed, operated, sponsored or constructed by Erickson Retirement Communities, LLC or any of its affiliates, whether or not financing for such projects is being provided by the Lender.

(h) The Borrower will deliver or cause the Guarantors to deliver to the Lender within twenty-one (21) days after the end of each calendar month a monthly marketing report

with narrative analysis for the Project and for each of the other projects described in paragraph (g) above.

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

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

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

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

8.7. Payment of Obligations: The Borrower will pay and discharge (or cause to be paid and discharged) at or before maturity all of their material obligations and liabilities, including (without limitation) tax liabilities, and will pay or cause to be paid all costs and expenses of constructing and equipping the Improvements, and claims for labor, materials, and supplies that, if unpaid, might become liens on the Property, except such as are being contested in good faith by appropriate proceedings. The Borrower will maintain in accordance with generally accepted accounting principles appropriate reserves for the accrual of any such obligations and liabilities.

8.8. Further Assurances: Upon request by the Lender, the Borrower shall do (or cause to be done) any act or execute (or cause to be executed) any additional documents (including, but not limited to, security agreements and financing statements on any personalty included or to be included in the Property) as may be reasonably required by the Lender to confirm the lien and security interest of the Mortgage or any other Loan Documents.

8.9. Sale of Assets, Consolidation, Merger, Etc.: Except for transactions exclusively between members of the Borrower/Guarantor Group and except as otherwise specifically permitted in the Loan Documents, neither the Borrower nor any of the Guarantors nor the Tenant, shall (a) sell, lease, transfer or otherwise encumber or dispose of any of its properties or

assets, other than (i) arms' length leases entered into in the normal course of business at Fox Run Village Retirement Community or other retirement communities with banks, beauticians or other service providers contemplated to be a part of the overall community development, (ii) easements or other encumbrances necessary for the development of Fox Run Village Retirement Community or other retirement communities which do not represent an economic obligation on the part of the Borrower or Guarantors and which do not impair the value of the property on which they are granted, and (iii) disposal of worn out or obsolete assets which are replaced at the time of disposal with assets of equal or greater value; (b) consolidate with or merge into any other entity, or permit another entity to merge into it, or acquire all or substantially all the properties or assets of any other person or entity; (c) enter into an arrangement, directly or indirectly, with any person whereby it or any of its subsidiaries or affiliates shall sell or transfer any property, real or personal, which is used and useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property for substantially the same purpose or purposes as the property being sold or transferred; or (d) cause or permit any change in the name of, or the ownership of member interests in, the Borrower , any of the Guarantors or the Tenant, or cause or permit any change in the management of the Borrower , any of the Guarantors or the Tenant, or in the manner in which the business or operations of the Borrower, any of the Guarantors or the Tenant is conducted, including any change in the identity of the Manager.

8.10. Distributions, Etc: Except for transactions exclusively between members of the Borrower/Guarantor Group and as otherwise permitted in this Agreement, neither the Borrower nor any of the Guarantors will pay any income, bonuses, profits, dividends, salaries or fees to, or make any distribution of cash or property to, any members of the Borrower or any of the Guarantors or affiliates thereof (including other entities in which the Borrower or any of the Guarantors owns an interest); provided, however, that so long as no Default shall have occurred and be continuing or would be created by any such distribution, and provided the Borrower sends Lender a separate written notice (i.e., separate from financial statements or other reporting requirements under the Loan Documents) and supplies the Lender with all information reasonably requested by the Lender with respect to the following items prior to any payments or distributions being made under this Section 8.10: (a) the Borrower and the Guarantors may make distributions out of cash flow to each of their members in an amount equal to the federal, state and local tax liability of such member arising out of its stock, partnership or membership interest in the Borrower or the Guarantors so long as (i) prior to the payment of any such distribution, the Lender shall have received and approved (which approval shall not be unreasonably withheld) of the Borrower's written calculation of such tax liability and (ii) such distribution is paid by the Borrower or the Guarantors within thirty (30) days of the date on which such tax liability is due and payable; (b) the Borrower may make development distributions to its members calculated as five percent (5%) of Initial Entrance Fees for each Residential Construction Phase, or, in the event the Guarantors are no longer members of the Borrower, amounts equal to such development distribution may be paid as a development fee under the Development Agreement, but no such development distributions or fees (collectively "Development Distributions") shall be paid in advance of the following schedule: (A) prior to the date Construction Phase RB21 or any Residential Construction Phase after Construction Phase RB21 achieves an occupancy of ninety-five percent (95%), the Development Distribution for any Residential Construction Phase shall be paid only when such Residential Construction Phase achieves an occupancy of ninety-eight percent (98%); and (B) after Construction Phase RB21 or any Residential Construction Phase after Construction Phase RB21 achieves an occupancy of ninety-five percent (95%), one-

half (½) of the Development Distribution for each Residential Construction Phase (including Residential Construction Phases built prior to Construction Phase RB21) shall be paid when such Residential Construction Phase achieves an occupancy of ninety-five percent (95%), and the remaining one-half (1/2) of such Development Distribution shall be paid when such Residential Construction Phase achieves an occupancy of ninety-eight percent (98%); and (c) subject to the provisions of Section 8.18 hereof, and to the other provisions of the Loan Documents, payments may be made to Erickson in accordance with agreements previously approved by the Lender and set forth on Schedule VII attached hereto. Notwithstanding the foregoing provisions of this Section 8.10, the Borrower and the Guarantors shall be permitted at all times, both prior to and after the occurrence of a Default, to pay salaries and other forms of employment compensation (e.g. bonuses, 401(k) payments, etc.) to individuals who are members of the Borrower and the Guarantors, provided the amounts thereof are reasonable, prior to the occurrence of a Default, and provided the amounts thereof are approved in advance by the Lender in writing after the occurrence of a Default.

8.11. Additional Debt: Except for transactions exclusively between members of the Borrower/Guarantor Group, neither the Borrower nor any of the Guarantors shall incur, create, assume or permit to exist any obligation or obligations for money borrowed or other indebtedness or debt obligations of any type other than (a) the Loan described herein or other obligations in favor of the Lender; (b) loans made pursuant to the terms of the Community Loan Documents; (c) loans from members, provided repayment of such loans is subordinated to repayment of the Loan to the Lender under the terms of the Loan Documents; and (d) trade debt of the Manager incurred in the ordinary course of business; without first giving the Lender prior written notice thereof and answering any reasonable inquiries made by the Lender with respect to the details of such activity in order to permit the Lender to determine, among other matters, whether the Lender would consider such activity an Event of Default under Section 9.1(n) of this Agreement.

8.12. Guaranties: Except for (a) transactions exclusively between members of the Borrower/Guarantor Group, (b) the endorsing of checks or other instruments for deposit or collection in the ordinary course of business by the Borrower and the Guarantors, and (c) the guaranteeing of loans in favor of the Lender and loans permitted under Section 8.11, neither the Borrower nor any of the Guarantors shall endorse, guarantee or become surety for the obligation of any person or entity without first giving the Lender prior written notice thereof and answering any reasonable inquiries made by the Lender with respect to the details of such activity in order to permit the Lender to determine, among other matters, whether the Lender would consider such activity an Event of Default under Section 9.1(n) of this Agreement.

8.13. Acquisitions: Neither the Borrower nor any of the Guarantors shall acquire any new business or any interest in any new business or any real estate (including entering into any leases or other arrangements for new or additional locations) or make any investment of any kind in any other entity, including, but not limited to, asset or stock acquisition, or undertake any other construction project, (including any new retirement community, but excluding normal repairs and maintenance to existing structures), without first giving the Lender prior written notice thereof and answering any reasonable inquiries made by the Lender with respect to the details of such activity in order to permit the Lender to determine, among other matters, whether the Lender would consider such activity an Event of Default under Section 9.1(n) of this Agreement.

8.14. Loans: Except for transactions exclusively between members of the Borrower/Guarantor Group, neither the Borrower nor any of the Guarantors shall make loans to any person or entity for any purpose except for (a) loans made to members of the Borrower or the Guarantors during any fiscal year in amounts not exceeding the amount of the anticipated, permitted distributions to be made to such member during such fiscal year less the amount of all actual distributions so made at any time; and (b) loans to the Tenant under the Working Capital Loan Documents.

8.15. Primary Banking Relationship: The Borrower shall maintain its primary banking relationship with the Lender and shall cause the Guarantors to maintain their primary banking relationships with the Lender.

8.16. Bank Branch: The Borrower shall cause the Tenant to agree in writing that the Lender and its affiliates or correspondents (but any correspondent which is not a participant with respect to the Loan shall be subject to approval of the Borrower not to be unreasonably withheld) shall have the exclusive right to operate any bank branch at Fox Run Village Retirement Community through the fifth (5th) anniversary of the date on which any space within Fox Run Village Retirement Community in which the Lender may operate a branch ("Bank Branch Space") has been subjected to the Lease by the Borrower and the Tenant and is available for occupancy, or on such earlier date as the Lender notifies the Tenant or the Borrower in writing that the Lender has decided not to operate any such branch. The rights of the Lender (and its affiliates and correspondents) under this Section 8.16 shall terminate if (a) the Lender, its affiliates and correspondents fail to enter into a lease for such Bank Branch Space (for a term to begin upon the date such Bank Branch Space becomes available for occupancy) within thirty (30) days after written notice from the Borrower, issued not sooner than one hundred eighty (180) days prior to the date on which such Bank Branch Space will be subjected to the Lease and will be available for occupancy, at a rate and on terms acceptable to the Borrower and (b) the Borrower enters into a lease for such Bank Branch Space (for a term to begin upon the date Bank Branch Space becomes available for occupancy) at a rate and on terms as favorable or more favorable to the Borrower than the rate and terms last offered by the Borrower to the Lender, its affiliates and correspondents.

8.17. Fees of Construction Inspector: The Borrower will pay all fees of any Construction Inspector retained by the Lender in connection with the Loan.

8.18. Liquidity Covenant: The Borrower will, and will cause the Guarantors to, maintain at all times combined, unrestricted Liquid Assets equal in value to at least Twenty-Four Million Dollars ($24,000,000), or such greater amount as any of the Guarantors are obligated by other lenders to maintain under any agreements with such other lenders. Substantially all of the Liquid Assets of the Borrower and the Guarantors shall at all times during the term of the Loan be deposited with and/or held by the Lender.

8.19. Entrance Fees: All Entrance Fees shall at all times be received, held and disbursed by the Manager, the Escrow Agent, the Tenant and the Borrower in compliance with the provisions of this Section 8.19. All Entrance Fees (including each and every portion thereof) paid or delivered to the Tenant or the Manager shall be delivered by them to the Escrow Agent within two (2) Business Days of delivery of any check, money order or other medium of payment by a Resident to either the Manager or the Tenant. The Escrow Agent shall hold each

Resident's Entrance Fee in accordance with the terms of the Residence and Care Agreements. At such time as each Entrance Fee is payable to the Tenant, the Escrow Agent shall disburse such Entrance Fee directly to the Designated Tenant Account, which shall be an account of the Tenant maintained by the Tenant solely for the purpose of receiving, holding and disbursing Entrance Fees. On a daily basis, the Tenant shall deliver one hundred percent (100%) of all Initial Entrance Fees in the Designated Tenant Account by wire transfer to the Borrower Collateral Account (as an advance under the Community Loan Agreement) which amounts shall, on the first (1st) and fifteenth (15th) days of each calendar month, be applied by the Lender to repayment of the Loan. All Entrance Fees which are not Initial Entrance Fees, excluding, however, the amount of an Entrance Fees made by a Resident which is owed as a refund to another Resident under his or her Residence and Care Agreement, shall be wired on a daily basis by the Tenant as follows: fifty percent (50%) to the Reserve Account and fifty percent (50%) to the Restricted Account. The Reserve Account and the Restricted Account shall be pledged by the Tenant to the Borrower as collateral for the Tenant's obligations under the Lease, the Community Loan Documents and the Working Capital Loan Documents, and the Borrower's rights with respect to such pledge shall be assigned by the Borrower to the Lender as collateral for the Borrower's obligations under the Loan Documents. Funds held in the Reserve Account and the Restricted Account shall be disbursed at Tenant's request, but only upon approval of the Lender and the Borrower, and under such security precautions as the Lender and the Borrower may require, for the purposes described in the Lease, except that no approval of Lender or the Borrower shall be required for withdrawal of interest earned on amounts in the Reserve Account or the Restricted Account prior to a default by Tenant under the Lease. Notwithstanding the foregoing, (a) the Lender may at any time following the occurrence of any Event of Default, apply any and all funds in the Borrower Collateral Account to payment of the Loan; (b) the Borrower may accept an assignment from the Tenant of promissory notes from Residents in lieu of cash advances under the Community Loan Documents, and the Lender will in turn accept an assignment of such promissory notes and the payments made thereunder in lieu of payments which would otherwise be required under the Note for Units paid for in cash, provided that (i) no such note may have a maturity longer than one (1) year, (ii) all such notes in the aggregate shall not exceed (A) Three Million Dollars ($3,000,000) at any time, (B) Two Million Five Hundred Thousand Dollars ($2,500,000) for more than ninety (90) consecutive days, or (C) an average amount of One Million Five Hundred Thousand Dollars ($1,500,000) during any twelve (12) month period, without prior written consent of the Lender, (iii) all such notes shall be delivered by the Escrow Agent to the Tenant at the time specified in the Residence and Care Agreements, and shall promptly, upon receipt by the Tenant, be delivered to the Borrower, and if requested by the Lender, the Borrower shall deliver such notes to the Lender, with any necessary endorsements in favor of the Borrower and/or Lender, as applicable, to be held by the Borrower and/or Lender as collateral on the same terms described herein, (iv) when such notes are repaid, the proceeds thereof shall be subject to the prior provisions of this Section 8.19, and (c) the Lender may apply any amounts in the Reserve Account and/or the Restricted Account to payment of the Loan if the Tenant defaults under the Lease, Working Capital Loan Documents or Tenant Loan Documents and an Event of Default has occurred or thereafter occurs under the Loan Documents.

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

8.21. Compliance With Laws, Agreements: The Borrower shall comply, and shall cause the Tenant, the Manager and all other persons or entities involved in the construction,

leasing, operation or management of Fox Run Village Retirement Community to comply, with all laws, rules and regulations applicable to such activities, including all licensing laws of the State of Michigan, and with the provisions of all material agreements relating to reimbursement for care and services provided to Residents of Fox Run Village Retirement Community.

8.22. Delivery of Documents: The Borrower shall deliver or cause to be delivered to the Lender copies of all Medicare/Medicaid participation agreements, third party payor agreements, transfer agreements and other agreements of any kind relating to provision of care and services to Residents of Fox Run Village Retirement Community, promptly upon execution thereof.

8.23. Bank Accounts: All of the Bank Accounts shall at all times be maintained with and on the books of the Lender. No party other than the Lender shall have any right of access to any of the Bank Accounts, all of which shall be and remain at all times under the exclusive dominion and control of the Lender, and no withdrawals may be made from any of the Bank Accounts except with prior written consent of the Lender; provided, however, that the Lender's rights with respect to any of the Bank Accounts belonging to the Tenant shall be limited to the rights of the Borrower with respect thereto (all of which rights shall be reassigned by the Borrower to the Lender), except where a grant of rights to the Borrower expressly states that reassignment of such rights to the Borrower's lender is not subject to such a limitation. All of the Bank Accounts shall be pledged to the Lender as collateral for the Loan (such pledge with respect to any of the Bank Accounts belonging to the Tenant being an assignment to the Lender of the Borrower's rights in such account as collateral for the Tenant's obligations to the Borrower). The Lender hereby agrees that prior to the occurrence of a Default under the Loan Documents, the Lender will disburse from the Lockbox Account monthly within forty-eight (48) hours of receipt by the Lender of a certification by the Borrower as to the proper amounts thereof, all amounts which would, in the absence of the Loan Documents, be disbursed to the Borrower Operating Account and the FRVI Operating Account under the terms of the Lockbox Account Agreement, but if the Lender fails to do so the parties to the Lockbox Account Agreement shall nevertheless still not have any access to the Lockbox Account. Notwithstanding the foregoing provisions of this Section 8.23, the Lender hereby grants to the Borrower and to the Tenant a revocable license to withdraw funds from the Borrower Operating Account and the FRVI Operating Account prior to the occurrence of a Default under the Loan Documents for payment of business expenses incurred in the ordinary course, subject, however, to approval in advance by the Lender as regards the Borrower Operating Account, only. Such license shall terminate (as to both the Borrower Operating Account and the FRVI Operating Account) automatically upon the occurrence of a Default under the Loan Documents, after which the Lender shall once again have sole right of access to the Borrower Operating Account and the FRVI Operating Account. Each of the Bank Accounts shall be titled in the name of the Lender as trustee for itself and the other parties in interest to such Bank Accounts. The provisions of this Section 8.23 shall supersede and control over any other contrary or conflicting provisions of the Loan Documents with respect to the Bank Accounts. The Borrower shall cause all parties to the Bank Accounts to agree to the provisions of the Loan Documents with respect thereto, including the provisions of Sections 8.19 and 8.20 of this Agreement.

8.24. Flow of Funds. All Entrance Fees and Monthly Fees paid by the Residents of Fox Run Village Retirement Community shall be received, held, disbursed and applied in accordance

with the charts attached hereto as Schedule VIII labelled "Flow of Entrance Fees," and Schedule IX labelled "Flow of Monthly Fees."

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

ARTICLE IX

DEFAULT; REMEDIES

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

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

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

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

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

(e) Failure by the Borrower to cause any Construction Phase of the Project to achieve Substantial Completion on or before its Completion Date, subject to an extension of up to sixty (60) days for failure caused by strike, war, acts of God, casualty or other act or omission

beyond the Borrower's reasonable control to remedy or overcome, not including lack of funds (as long as the Lender is in compliance with its funding obligations under this Agreement);

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

(g) Suspension of work on any Construction Phase of the Project for which work has commenced for a period in excess of fifteen (15) days (except for suspensions caused by strike, war, acts of God, casualty or any other act or omission beyond the Borrower's reasonable control to remedy or overcome, not including lack of funds [as long as the Lender is in compliance with its funding obligations under this Agreement]), or the determination by the Lender given in writing to the Borrower that regardless of the cause of any suspensions, the Improvements in such Construction Phase cannot be completed on or before such Construction Phase's Completion Date;

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

(i) Any violation of the provisions of Sections 8.4., 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, 8.19 or 8.23 of this Agreement;

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

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

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

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

(n) The occurrence of any condition or situation which, in the Lender's sole judgment, constitutes a material adverse change with respect to the Project, the Borrower, any of the Guarantors, the Manager, the Developer, the Tenant or the Loan, including, but not limited to, cost overruns which exceed the contingency allowances provided for in the Borrower's budget with respect to any Construction Phase of the Project;

(o) If at any time the number of Applicants certified pursuant to Section 4.3 of this Agreement falls below sixty-five percent (65%) of the Units in any one or more Residential Construction Phases for which the Lender has advanced funds;

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

(q) At any time after the date on which a Certificate of Occupancy is issued for one or more Units in the First Residential Construction Phase, (i) the failure of the Tenant to move any one or more Residents into Continuing Care Units at a rate of at least fifteen (15) moves per month, or (ii) the failure of the Tenant to move any one or more Residents into Continuing Care Units within four (4) months of the date a Certificate of Occupancy for such Unit or Units has been issued and a Resident has made all financial arrangements necessary for such move and otherwise stands ready and willing to move into such Unit;

(r) The failure of the Tenant to make a loan in the full amount contemplated under the Community Loan Documents with respect to a Continuing Care Unit at the time a Resident occupies a Continuing Care Unit, whether or not such failure constitutes a default or Event of Default under the Community Loan Documents;

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

(t) Failure to provide evidence of all necessary regulatory approvals of the forms of Community Documents approved by the Lender within one hundred eighty (180) days after the date of this Agreement;

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

(v) Any reduction in the combined, unrestricted Liquid Assets of the Borrower and the Guarantors below Twenty Million Dollars ($20,000,000) (as to which no cure period shall apply), or any reduction in the combined, unrestricted Liquid Assets of the Borrower and the Guarantors below Twenty-Four Million Dollars ($24,000,000), or such greater amount as may be required by the provisions of Section 8.18 of this Agreement, which is not cured within the period provided in Section 9.1(c) above.

9.2. Remedies: Upon the occurrence of any curable Default, the obligation of the Lender to make any further disbursements under the Loan, including the obligation to issue additional Letters of Credit, shall be suspended pending cure of such Default. Upon the occurrence of any Event of Default, the obligation of the Lender to make any further disbursements under the Loan, including the obligation to issue additional Letters of Credit, shall terminate. The Lender may, upon the occurrence of an Event of Default, at the sole option of the Lender and without further notice or demand, declare the Note to be immediately due and payable in full, together with all interest accrued thereon, without presentment, demand, protest or notice, all of which the Borrower hereby waives. Upon such declaration, the Lender may proceed to exercise any and all remedies available to it under this Agreement, the other Loan Documents, or under applicable law, all of which rights and remedies shall be cumulative and may be exercised concurrently by the Lender.

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

9.4. Confession of Judgment; Jurisdiction and Venue. At any time after the occurrence of any Event of Default, the Borrower authorizes any attorney admitted to practice before any court of record in the United States or any clerk of any court of record to appear for it and confess judgment on behalf of the Borrower against the Borrower in favor of the Lender for and in the full amount due in connection with the Loan plus attorneys' fees of ten percent (10%) of such amount up to a maximum for attorneys' fees of Three Hundred Thousand Dollars ($300,000). (The foregoing provision shall not limit the obligation of the Borrower to pay all reasonable attorneys' fees incurred by the Lender). The Lender agrees that in attempting to satisfy or enforce any judgment by confession obtained against the Borrower in connection with the Loan, the Lender shall not seek or demand, solely with respect to attorney's fees incurred by the Lender in connection with this Note, any amounts in excess of the actual amount of reasonable attorney's fees charged or billed to the Lender. The Lender agrees not to sell or assign any judgment obtained pursuant to this Section 9.4 unless the assignee agrees to be bound by the provisions of the immediately preceding sentence. In any action brought by the Lender under this Agreement, the Borrower consents to the exercise of personal jurisdiction over it by the courts of the State of Maryland and agrees that venue shall be proper in any County of the State of Maryland (including Baltimore City) in addition to any other court where venue may be proper. The Borrower waives and releases, to the extent permitted by law, all errors and all rights of exemption, appeal, stay of execution, inquisition and extension upon any levy on real estate or personal property to which the Borrower may otherwise be entitled under the laws of the United States of America or of any State or Possession of the United States of America now in force or which may hereafter be passed, as well as the benefit of any and every statute, ordinance, or rule of court which may be lawfully waived conferring upon the Borrower any right or privilege of exemption, stay of execution, or supplementary proceedings, or other relief from the enforcement or immediate enforcement of a judgment or related proceedings on a judgment; provided, however, that the foregoing waiver does not extend to the Borrower's rights under Rule 2-611 of the Maryland Rules of Civil Procedure to file a motion to open, vacate or modify a judgment by confession in good faith and within the timeframes permitted by such Rule, which rights the Borrower does not waive. The authority and power to appear for and enter judgment against the Borrower shall be exercisable concurrently in one or more jurisdictions and shall not be exhausted or extinguished by one or more exercises thereof, or by any imperfect exercise thereof or by any judgment entered pursuant thereto. Such authority and power may be exercised on one or more occasions, from time to time, in the same or different jurisdictions, as often as the Lender shall deem necessary or desirable.

ARTICLE X

MISCELLANEOUS

10.1. Expenses: The Borrower agrees, whether or not the transactions herein contemplated shall be consummated, to pay and save the Lender harmless against liability for the payment of all reasonable expenses arising in connection with such transactions, including all stamp and other taxes (including tangible personal property taxes) which may be payable in respect of the execution and delivery of any of the Loan Documents, or the execution, delivery, filing or recording of the Mortgage and financing statements relating thereto, and any and all supplements and/or modifications thereto, and all fees and expenses of counsel for the Lender in connection herewith (including legal fees and any other fees incurred by the Lender subsequent to Closing in connection with the disbursement, renewal or collection of the Loan). The

Borrower's obligation under this Section 10.1 shall survive the transfer of the Loan by the Lender and the payment of all indebtedness hereunder.

10.2. Nonassignability by Borrower: The Loan may not be assigned by the Borrower without the prior written consent of the Lender. Neither the Loan nor any advances hereunder shall be subject to the process of any court upon legal action by or against the Borrower, or by or against anyone claiming under or through the Borrower. For the purposes of this Agreement, the Loan shall remain in the custody of the Lender until the Borrower complies with each and all of the provisions hereof; provided, however, that nothing herein contained shall be considered as in anywise modifying, affecting or subordinating the obligations heretofore given or to be given by the Borrower as security for the Loan and the same shall be and remain in full force and effect, this Agreement being intended only as additional security and protection for the Loan and to assure its use for the purposes intended by the Lender and the Borrower. The Lender may sell or participate any interest in the Loan at any time.

10.3. Liability of Lender: All conditions of the obligations of the Lender hereunder, including any obligation to make disbursements under the Loan, are imposed solely and exclusively for the benefit of the Lender and its successors and assigns, and no other person or entity shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that the Lender will refuse to disburse sums under the Loan in the absence of strict compliance with any and all thereof. No other person or entity shall, under any circumstances, be deemed to be a beneficiary of such conditions, any and all of which may be freely waived in whole or in part by the Lender at any time if in its discretion it deems it desirable to do so. Without limiting the generality of the foregoing, the Lender makes no representations and assumes no obligations as to third parties concerning the quality of the Improvements or the absence therefrom of any defects. Borrower agrees to indemnify the Lender from and against any liability, claim or loss arising during or after the term of the Loan which may be sustained or incurred by the Lender as a result of the performance of its activities and obligations under this Agreement, except that no such indemnification shall be required in connection with any acts or omissions of the Lender hereunder constituting gross negligence or willful misconduct. This provision shall survive repayment of the Loan and shall continue in full force and effect so long as a possibility of any such liability, claim or loss exists. The Borrower hereby releases and agrees to indemnify the Lender from any such liability, and no claim shall be made by the Borrower against the Lender, for or on account of any matter or thing in excess of the balance of the Loan remaining in the Lender's hands and undisposed of in accordance with the terms of this Agreement.

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

10.5. Financing Sign on Property, Publicity: The Borrower agrees that the Lender may, at the Lender's expense, place signs at the Property at any locations selected by the Lender and

approved by Borrower, which approval shall not be unreasonably withheld by the Borrower, until completion of construction of the Project, and to prepare and furnish news releases at any time to the news media or any other publications selected by the Lender advertising the fact that financial assistance for the Project has been obtained from the Lender.

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

(1)	If to Lender:	Mercantile-Safe Deposit and Trust Company Two Hopkins Plaza Baltimore, Maryland 21201 Attention: Bruce D. McLean, Senior Vice President
	with a copy to:	Christopher J. Fritz, Esquire Ballard Spahr Andrews & Ingersoll, LLP 300 East Lombard Street, 19th Floor Baltimore, Maryland 21202-3268
(2)	If to Borrower:	Novi Campus, LLC c/o Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228 Attention: Chief Operating Officer
	with a copy to:	General Counsel Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228

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

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

ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION.

10.8. Amendment; No Implied Waiver: This Agreement may be amended, and the Borrower may take any action herein prohibited, or omit to perform any act required to be performed by it, only if the Borrower shall first obtain the prior written consent of the Lender to such amendment, action or omission to act. No failure of the Lender to exercise and no delay in exercising any right, power or privilege under this Agreement or the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

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

10.10. Entire Agreement; Successors and Assigns; Time of the Essence: This Agreement and the other Loan Documents contain the entire terms of the agreement with respect to the Loan, and no representations, inducements, promises or agreements between the Borrower and the Lender not set forth herein or in the other Loan Documents shall be of any force or effect. This Agreement shall be binding upon and shall inure to the benefit of the Borrower and the Lender and their respective successors and assigns (provided, with respect to the Borrower, that such successors and assigns are permitted hereunder), whether so expressed or not. Time is of the essence under this Agreement.

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

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

10.13. Governing Law: This Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the granting, perfection and enforcement of security interests in collateral, the law of the jurisdiction in which the collateral is located (or which otherwise applies to security interests in collateral) shall govern.

10.14. Discretion of the Lender: Anything in the Loan Documents to the contrary notwithstanding, any approval or consent of the Lender required to be obtained under the Loan Documents, and any other matter required to be acceptable to the Lender or determined to be to the Lender's satisfaction under the Loan Documents, or any other provision of the Loan Documents allowing the Lender any discretion or imposing less than an absolute requirement on

the Lender, shall be given, accepted or determined, or not, in the Lender's sole and absolute discretion, or shall otherwise be interpreted to permit the exercise of the Lender's sole and absolute discretion, except where stated to be subject to the Lender's "reasonable" discretion, in which case the Lender's judgment with respect to such matter shall be reasonable.

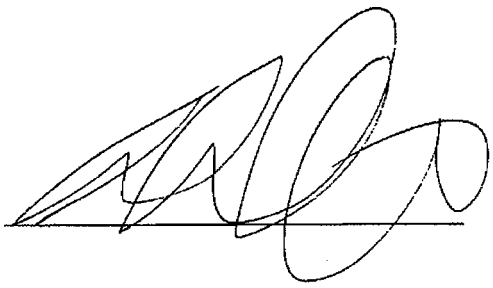
10.15. Use of Certain Defined Terms: Certain defined terms are not used in this Agreement, but are nonetheless defined here for convenience and are used in the other Loan Documents with reference to the definitions contained herein. The fact that certain of the Bank Accounts are described by the name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

10.16. Approval of Community Documents. No approval by the Lender, either express or implied, of the Community Documents or any amendments thereto, shall have the effect of making any provision thereof binding upon the Lender unless the Lender shall have joined as a party therein with the expressed intention of becoming bound thereby.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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

WITNESS:



BORROWER:

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Member

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and
Chief Operating Officer

[SIGNATURES CONTINUED ON NEXT PAGE]

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY

Ann J. Washington

By: _____ (SEAL)
Bruce D. McLean,
Senior Vice President

LIST OF SCHEDULES
ATTACHED TO CONSTRUCTION LOAN AGREEMENT
DATED FEBRUARY 12th, 2002 BY AND BETWEEN
NOVI CAMPUS, LLC AND
MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

Schedule I	-	Schedule of Construction Phases, including Estimated Completion Dates and Estimated Units
Schedule II	-	Deposit Schedule and Move-In Check List
Schedule III	-	List of Environmental Reports
Schedule IV	-	Letters of Credit Issued at Closing Date
Schedule V	-	Construction Phase Commencement Approval Form
Schedule VI	-	Covenant Compliance Letter
Schedule VII	-	List of Agreements Approved by Lender Providing For Payments To Erickson
Schedule VIII	-	Flow of Entrance Fees
Schedule IX	-	Flow of Monthly Fees

SCHEDULE I

SCHEDULE OF CONSTRUCTION PHASES

See Next Page

Bank Of America - CD#13 - Control ID#1133

1/16/2002/11:45 AM

NOVI CAMPUS, LLC
DEVELOPMENT PLAN
Phase Forecasts
Prepared: January 16, 2002

EXHIBIT C
CONSTRUCTION PHASES

JDE Project #	Phase	Indp. No. of Units	HCC No. of Beds	Square Footage	Inflated Cost/sf $	Building Costs**	Sitework	Total Hard Costs	Construction Fee	Fees/ Permits	Architecture Costs	Engineering Costs	Builder's Risk 0.1%	Development Fees 5%	Estimated Contingency	Total Direct Costs	Entrance Deposits
										251,000	297,000	500,000	0		0	1,048,000	
MAPL	Masterplan					400,000		400,000	6,000		20,250	0	400		20,000	446,650	
MC10	Marketing Center Trailer						8,011,100	8,011,100	120,167			500,000	8,011		400,555	9,039,833	
SW10	Sitework 1							200,000	3,000	2,500	17,415		200		10,000	233,115	
GH10	Gatehouse 1			97		200,000		9,283,000	139,245	80,200	413,652		9,283		278,490	10,183,870	
CB10	Community Bldg 1 0/Pool			50,000	185 66	9,283,000		10,486,537	157,298	449,180	225,694		10,487	1,135,940	314,596	12,779,733	22,718,800
RB11	Residential Building 1 1	0		123,560	84 87	10,486,537		9,717,615	145,764	428,080	224,998		9,718	1,135,414	291,528	11,953,097	22,708,280
RB12	Residential Building 1 2	0		114,500	84 87	9,717,615		11,434,536	171,518	481,680	192,366		11,435	1,208,167	343,036	13,822,718	24,183,340
RB13	Residential Building 1 3	0		130,800	87 42	11,434,536		1,170,979	17,565	15,566	108,587		1,171		35,129	1,348,998	
PKD1	Parking Deck #1					1,170,979		12,223,064	183,346	482,660	220,930		12,223	1,291,386	366,692	14,780,301	25,827,710
RB14	Residential Building 1 4	0		139,820	87 42	12,223,064		13,073,808	196,107	508,692	231,714		13,074	1,355,347	392,214	15,770,956	27,108,937
RB15	Residential Building 1 5	119		145,200	90 04	13,073,808		149,267	2,239		161,831		149		4,478	317,964	
BR10	BR 1 0 (RB 1 2 to CB 1 0)			50	2,985 33	149,267		475,071	7,126				475		14,252	496,924	
BR20	BR 2 0 (RB 2 1 to CB 2 0)			150	3,167 14	475,071		6,237,349	93,560			500,000	6,237		311,867	7,149,014	
SW20	Sitework 2 (includes NH2)					0	6,237,349	1,205,754	18,086	18,331	39,926		1,206		36,173	1,317,478	
PKD2	Parking Deck #2					1,205,754		14,708,934	220,634	585,750	274,394		14,709	1,595,703	441,268	17,841,392	31,914,055
RB21	Residential Building 2 1	140		163,360	90 04	14,708,934		16,642,290	249,634	227,138	1,080,000		16,642	986,800	499,269	19,701,773	19,736,000
EC10	Extended Care Phase 1		136	97,000	171 57	16,642,290		446,915	6,704				447		13,407	467,473	
BR30	BR 3 0 (RB 2 3 to ECC 1)			137	3,262 15	446,915		10,616,571	159,279	83,683	527,148		10,619		318,557	11,697,857	
CB20	Community Building 2 0			50,000	202 87	10,616,571		11,053,681	165,805	448,362	174,590		11,054	1,253,956	331,610	13,439,059	25,079,126
RB22	Residential Building 2 2	100		119,190	92 74	11,053,681		150,000	2,250				150		4,500	156,900	
CB11	Transitional Spaces					150,000		13,774,416	206,616	511,209	203,727		13,774	1,465,676	413,232	16,568,851	29,313,518
RB23	Residential Building 2 3	116		148,527	92 74	13,774,416		11,988,658	179,530	456,764	169,945		11,969	1,254,655	359,060	14,420,578	25,093,091
RB24	Residential Building 2 4	102		125,300	95 52	11,988,656		10,674,380	160,115	414,931	192,930		10,674	1,118,767	320,231	12,892,008	22,375,339
RB25	Residential Building 2 5	91		111,750	95 52	10,674,380		1,170,835	17,580	15,943	50,830		1,171		35,119	1,291,258	
PKD3	Parking Deck #3					1,170,835		2,192,266	32,884		115,695		2,192		65,768	2,408,805	
CH10	Chapel			8,160	268 66	2,192,266		400,000	6,000	13,599	8,640		400		12,000	440,639	
MB10	Maintenance Building					400,000		215,302	3,230				215		6,459	225,206	
BR60	BR 6 0 (RB 3 2 to CB 3 0)			66	3,262 15	215,302		207,649	3,115				208		6,229	217,201	
BR70	BR 7 0 (CB 3 0 to RB 3 3)			60	3,460 82	207,649		263,022	3,945				263		7,891	275,121	
BR80	BR 8 0 (RB 3 3 to RB 3 4)			76	3,460 82	263,022		332,642	4,990				333		9,979	347,944	
BR40	BR 4 0 (RB 3 1 to RB 2 5)			99	3,360 02	332,642		3,442,931	51,644			500,000	3,443		172,147	4,170,165	
SW30	Sitework 3 (includes NH3)					0	3,442,931	13,534,275	203,014	506,389	212,730		13,534	1,465,277	406,028	16,343,247	29,305,538
RB31	Residential Building 3 1	114		141,690	95 52	13,534,275		611,524	9,173				612		18,346	639,655	
BR50	BR 5 0 (CB 3 1 to RB 3 2)			182	3,360 02	611,524		9,254,890	138,823	87,379	501,545		9,255		277,647	10,249,539	
CB30	Community Building 3 0			43,000	215 23	9,254,890		10,218,026	153,270	409,128	239,632		10,218	1,165,015	306,541	12,501,832	23,300,295
RB32	Residential Building 3 2	87		103,852	98 39	10,218,026		11,905,190	178,578	499,908	175,697		11,905	1,382,835	357,156	14,511,266	27,656,695
RB33	Residential Building 3 3	109		121,000	98 39	11,905,190		10,532,874	157,993	450,231	138,785		10,533	1,196,333	315,986	12,802,735	23,928,663
RB34	Residential Building 3 4	93		103,936	101 34	10,532,874		20,622,800	309,342	244,080	810,000		20,623	1,208,900	618,684	23,834,409	24,178,000
EC20	Extended Care Phase 2		182	110,000	187 48	20,622,800		1,648,488	24,727			0	1,648		49,455	1,724,318	
SW40	Sitework 4					0	1,648,488										
	Totals	1,071	318	2,151,563	28,845	241,318,551	19,339,869	260,658,420	3,909,876	7,592,321	7,050,853	2,000,000	260,660	20,220,169	8,165,580	309,877,680	404,403,385

Schedule 1

Y:\USBC\Novi_base1_9.xls\SUMMARY

SCHEDULE II

DEPOSIT SCHEDULE

See Next Page

Bank Of America - CD#13 - Control ID#1133

FOX RUN VILLAGE

Schedule II

Deposit Schedule and Move-in Check List

- **Priority List:** $1,000 fully refundable deposit to hold your priority date
  $150 per person, one-time refundable processing fee
- **Reservation:** Choose *your* apartment and lock in the current entrance deposit. This step initiates the following process (no additional deposit at this time)
- **90 Day Deposit:** $2,000 fully refundable deposit, 3 months after apartment reservation, to continue holding your apartment.
- **180 Day Deposit:** $2,000 fully refundable deposit, 6 months after apartment reservation, to continue holding your apartment.

Between Reservation and Move:

- If applicable, prepare house for sale and contact Real Estate Brokers for estimates.
- Meet with Move-in Coordinator to discuss the selections available at our Design Center

Approval Process:

Approval process occurs within six months of your move

- **Health Interview** determines if independent living is complimentary to your current lifestyle or if another type of living would be more suitable.
  - This is not a physical examination, it is a verbal process
  - Please remember to bring your health form (to be provided) and health insurance cards
- **Financial Interview** determines your financial eligibility for Fox Run Village.
  - Final financial statement submitted for verification of income and assets
  - Please bring documentation to show that you meet our financial requirements. For example, bank statements, quarterly stock reports and/or mutual fund reports, real estate (appraisal or listing), tax return, living trust, verification of monthly income.
- The **Approval Committee** will send a letter based on outcomes of the Health and Financial Interviews.

Immediately After You are Approved:

- **Deposit 10% of entrance deposit** (minus previous deposits), sign Residence and Care Agreement, sign refund of entrance deposit form and schedule move-in date.
- If applicable, put house on the market

3-4 Weeks Prior to Move:

- Settle on total entrance deposit minus previous deposits made to Fox Run Village
- On **Moving Day**, our Move-in Coordinator will meet, direct and instruct your moving truck – and you *live happily ever after!*

Throughout this process, you will be invited to events to meet your neighbors and hear from a variety of experts about Fox Run Village.

Bank Of America - CD#13 - Control ID#1133

SCHEDULE III

LIST OF ENVIRONMENTAL REPORTS

Report On:

Phase I Environmental Site Assessment
Proposed Erickson Retirement Community Property
Novi, Michigan

Prepared For:

Erickson Retirement Communities
Baltimore, Maryland
Project No. 16-000742-00
August 21, 2000

SCHEDULE IV

LETTERS OF CREDIT ISSUED AT CLOSING DATE

None

SCHEDULE V

Construction Phase Commencement Approval Form

[Date]

Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza
Baltimore, MD 21201
Attn: Bruce D. McLean

RE: Fox Run Village Retirement Community Phase Budget for Construction Phase ___

Ladies and Gentlemen:

Novi Campus, LLC hereby submits for your review the following proposed Phase Budget for Construction Phase ___ at the Fox Run Village Retirement Community.

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

Attached to this letter is a complete schedule of all current information referred under the terms of Section 2.3, 4.3 and 8.19 of the Construction Loan Agreement for Fox Run Village Retirement Community dated February ____, 2002.

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

Please signify your approval of the Phase Budget by counter-signing below and sending the original to 701 Maiden Choice Lane, Baltimore, Maryland 21228, Attn: Sheri Rovnan, Fox Run Village, Inc. Controller with a copy to David Destino, Fox Run Village Development Director, 703 Maiden Choice Lane, Baltimore, Maryland 21228. Thank you for your prompt attention to this matter.

Very truly yours,

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Member

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

Approved by Mercantile-Safe Deposit and Trust Company

By:_____
Date:_____

SCHEDULE VI

Covenant Compliance Letter

[Date]

Mercantile-Safe Deposit
and Trust Company
Two Hopkins Plaza
Baltimore, MD 21201
Attn: Bruce D. McLean,
Senior Vice President

RE: Fox Run Village

Ladies and Gentlemen:

This letter is submitted in connection with quarterly financial statements required to be provided under Section 8.3 of the Construction Loan Agreement dated February _____, 2002 (the "Loan Agreement") relating to Fox Run Village Retirement Community. To the best knowledge of the undersigned, who is the chief financial officer of the entities submitting such financial statements, no Default, as defined in the Loan Agreement, has occurred and is continuing, and no Event of Default, as defined in the Loan Agreement, has occurred. [If a Default or Event of Default has occurred, detailed information with respect thereto must be supplied with this letter.] All original promissory notes evidencing advances under the Community Loan Documents have been delivered (or are being delivered herewith) to you.

_____
(Signature of Chief Financial Officer)

SCHEDULE VII

LIST OF AGREEMENTS APPROVED BY LENDER
PROVIDING FOR PAYMENTS TO ERICKSON

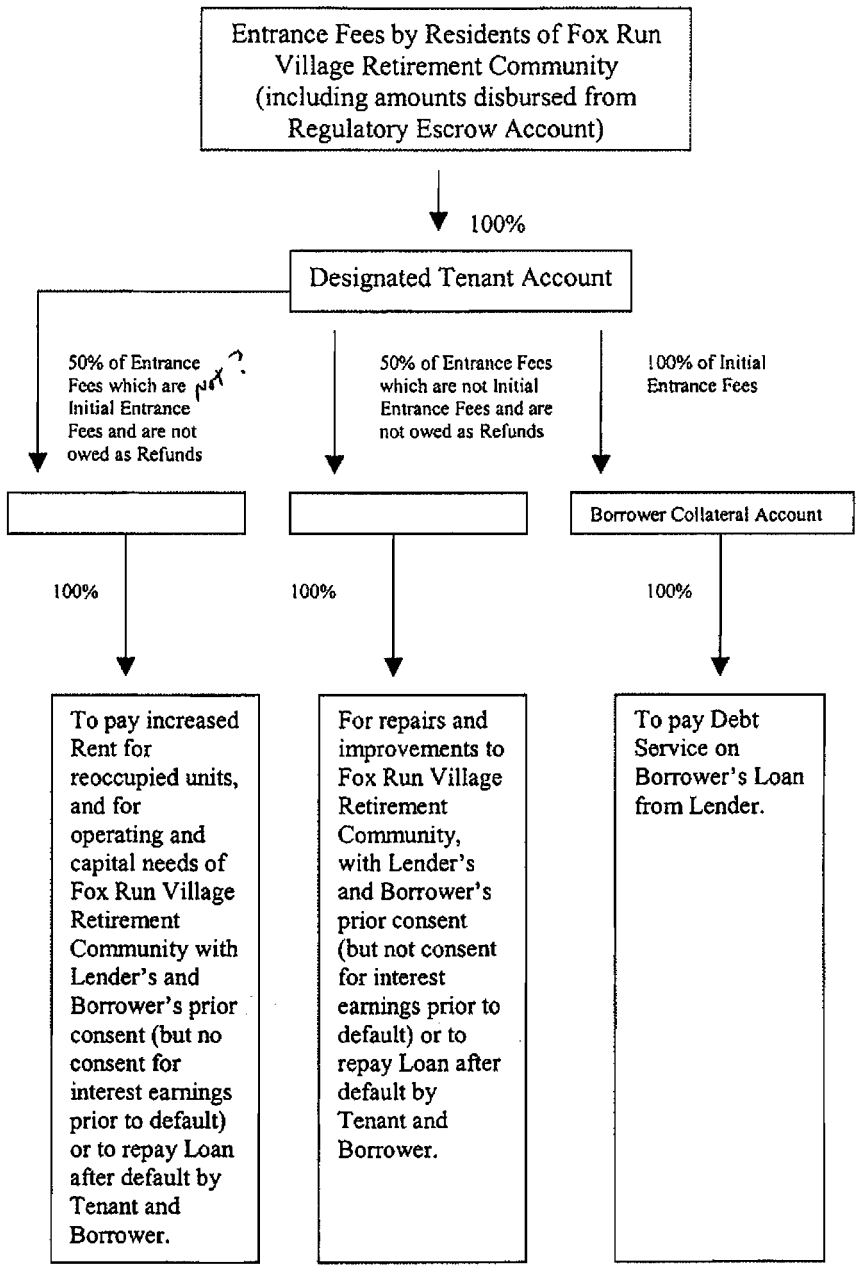
1. Erickson Retirement Communities, LLC Third Amended and Restated Operating Agreement dated June 18, 1999;

2. Annual salary and bonus payable to John C. Erickson in amounts approved in writing by the Lender.

Bank Of America - CD#13 - Control ID#1133

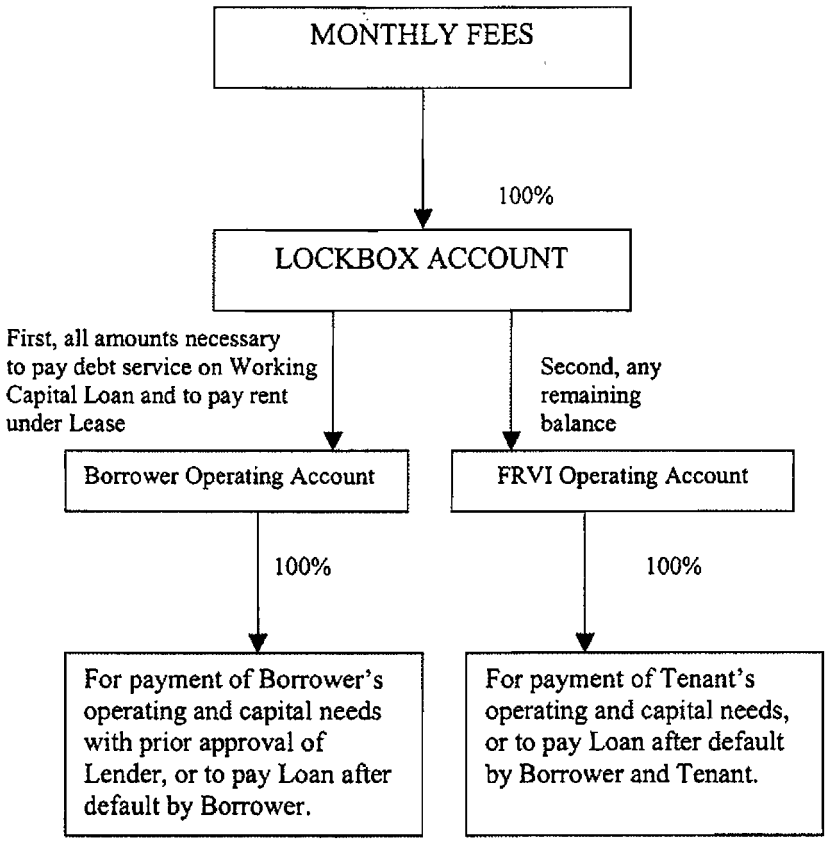
SCHEDULE VIII

FLOW OF ENTRANCE FEES



SCHEDULE IX

FLOW OF MONTHLY FEES



Document: 1.2

FIRST COMPREHENSIVE AMENDMENT TO LOAN DOCUMENTS

THIS FIRST COMPREHENSIVE AMENDMENT TO LOAN DOCUMENTS (this "Amendment") is executed as of the 12th day of February, 2002 by the undersigned parties (collectively, the "Parties").

RECITALS

The Parties are parties to a Construction Loan Agreement (the "Loan Agreement") and the "Loan Documents" referred to therein of even date herewith relating to a loan in the maximum amount of Forty-Six Million Dollars ($46,000,000) from Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation (the "Lender") to Novi Campus, LLC, a Maryland limited liability company (the "Borrower") relating to the development of a retirement community to be known as "Fox Run Village Retirement Community" on approximately one hundred two (102) acres of land owned by the Borrower located on Thirteen Mile Road in The City of Novi, Oakland County, Michigan, as more particularly described in the Loan Documents. All capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Loan Document.

The Parties desire by execution of this Amendment to limit the Lender's funding obligations under the Loan Documents to a maximum amount of Twenty-Five Million Dollars ($25,000,000) pending the negotiation of one or more participation agreements acceptable to the Lender with one or more participants whose identity and financial resources are acceptable to the Lender in its sole discretion, such limit being hereinafter referred to as the "Maximum Funding Restriction." The Parties also desire to set forth the agreement of the Borrower, and the other parties to the Loan Documents, to cooperate in good faith in making such amendments to the Loan Documents as may be necessary to permit consummation of one or more participation agreements between the Lender and one or more participants acceptable to the Lender, provided such amendments do not adversely affect the rights of the Borrower or such other Parties under the Loan Documents.

AGREEMENTS

NOW THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Recitals are incorporated by reference herein as material terms of this Amendment and shall be binding on the Parties.

2. The terms of this Amendment shall govern and control over any contrary or inconsistent terms of the Loan Documents.

3. Anything to the contrary in the Loan Documents notwithstanding, the Lender shall have no obligation to fund advances or issue letters of credit in connection with the Loan in excess of an aggregate liability of $25,000,000 unless and until the Lender enters into a binding participation, intercreditor or similar agreement acceptable to the Lender, in its sole discretion, with one or more participants whose identity and financial resources are acceptable to the Lender, in its sole discretion, pursuant to which such participants agree to purchase and fund that portion of the Loan in excess of $25,000,000.

4. The Borrower and other Parties whose signatures are set forth below (other than the Lender) agree to negotiate, execute and deliver such amendments to the Loan Documents as may be necessary to permit consummation of one or more participation agreements between the Lender and one or more participants acceptable to the Lender, provided such amendments do not adversely affect the rights of such Parties under the Loan Documents.

5. The Borrower has requested that the Lender temporarily reduce the amount of Borrower's required equity in the Project as described in the Loan Agreement. The Lender is willing to agree to such request, but only on the terms and conditions set forth in this Section 5 of this Amendment. The parties therefore agree to the following temporary changes to the terms of the Loan Documents:

(a) Until June 30, 2002, the amount of Borrower's required equity invested in the Project as described in Section 4.6(k) of the Loan Agreement is hereby reduced from Seventeen Million Dollars ($17,000,000) to Ten Million Dollars ($10,000,000). On or before June 30, 2002 the Borrower shall provide evidence satisfactory to the Lender that the Borrower's equity in the Project has been increased to at least Seventeen Million Dollars ($17,000,000).

(b) Unless and until the Borrower's equity in the Project equals or exceeds Seventeen Million Dollars ($17,000,000), in addition to the limitation on advances described in paragraph 3 above, advances under the Loan shall be subject to the further restriction that the total of such advances at any time shall not exceed an amount calculated as 2.7 times the amount of Borrower's demonstrated equity in the Project at such time. By way of example, if the Borrower's equity in the Project equals Ten Million Dollars ($10,000,000), then advances under the Loan may not exceed Twenty-Seven Million Dollars ($27,000,000), even if the requirements of paragraph 3, above, have been satisfied.

(c) In consideration of the Lender's agreement in this Section 5 the Borrower will cause John C. Erickson and Nancy A. Erickson, residents of West Palm Beach, Florida, Senior Living Limited Partnership, a Nevada limited partnership, J&N Nevada Holding, Inc., a Nevada corporation and JCE Holding Corp., a Maryland corporation (the "Funding Guarantors") to execute and deliver to the Lender a Funding Guaranty Agreement in the form attached hereto as Exhibit A (the "Funding Guaranty") together with the Promissory Note and/other documents described therein and/or attached thereto, pursuant to which the Funding Guarantors will agree to provide funds to the Borrower on June 30, 2002 equal in amount to the difference between Seventeen Million Dollars ($17,000,000) and the amount of the Borrower's demonstrated equity investment in the Project on that date, all on the terms more particularly provided for in the Funding Guaranty and the documents referred to therein.

(d) Failure of the Borrower to demonstrate to the Lender's satisfaction that the equity invested in the Project (or funded to the Lender to be invested in the Project) totals at least Seventeen Million Dollars ($17,000,000) on or before July 15, 2002 shall be and constitute an immediate incurable Event of Default under the Loan Documents.

6. In addition to the Events of Default set forth in the Loan Documents, the following shall constitute Events of Default hereunder, thereunder and under the other Loan Documents:

(a) Any breach of the terms of this Amendment or of any agreement entered into in connection herewith by the Borrower or any of the other parties to the Loan Documents (other than the Lender), and expiration of any applicable notice, grace or cure period;

(b) Any failure of the Borrower or any of the other Parties to the Loan Documents to negotiate in good faith with the Lender any amendments required to be made to the Loan Documents in connection with any proposed participation agreement to be consummated by the Lender and any participant available to the Lender.

7. Except as expressly set forth herein, the Lender shall have no obligations under this Amendment, and the Lender may exercise all rights and remedies provided for in the Loan Documents upon the occurrence of any Event of Default hereunder or thereunder. In furtherance of the foregoing provision, and not in limitation thereof, the Lender shall have no obligation to enter into one or more participation agreements with any person or entity and shall have no obligation to negotiate in good faith or surrender any position in connection with any such participation agreements. All matters related to any such participation agreements shall be subject to the Lender's approval in its sole discretion. All Parties other than the Lender acknowledge that the Lender has disclosed to such Parties that the Lender does not believe Lender would be successful in selling, and does not intend to attempt to sell, participations in the Loan until after the Borrower's equity in the Project has been increased to Seventeen Million Dollars ($17,000,000). The foregoing sentence shall not impose any obligation on the Lender with respect to selling participations in the Loan after the Borrower's equity in the Project has been increased to Seventeen Million Dollars ($17,000,000).

8. The Borrower shall pay to the Lender on demand all costs and expenses both now and hereafter paid or incurred with respect to the preparation, negotiation, execution, administration and enforcement of this Amendment and all documents related thereto, including, without limitation, attorneys' fees and expenses, recording costs, recordation and other taxes, appraisal fees, costs of record searches, title company premiums and costs, fees and expenses for environmental audits and survey costs, and in connection with any amendments to the Loan Documents in connection with the negotiation and consummation of any participation agreements.

9. This Amendment is only an agreement amending and modifying certain provisions of the Loan Documents. All of the provisions of the Loan Documents are incorporated herein by reference and shall remain and continue in full force and effect as amended by this Amendment. The Borrower and the Guarantors hereby ratify and confirm all of their obligations, liabilities and indebtedness under the provisions of the Loan Documents as

amended by this Amendment. The Lender, the Borrower and the Guarantors agree it is their intention that nothing herein shall be construed to extinguish, release or discharge or constitute, create or effect a novation of, or an agreement to extinguish, any of the obligations, indebtedness and liabilities of the Borrower, the Guarantors or any other party under the provisions of the Loan Documents, or any assignment or pledge to the Lender of, or any security interest or lien granted to the Lender in or on, any collateral and security for such obligations, indebtedness and liabilities.

10. This Amendment shall be governed by the laws of the State of Maryland and may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts shall be deemed to be an original and all taken together shall constitute one and the same instrument.

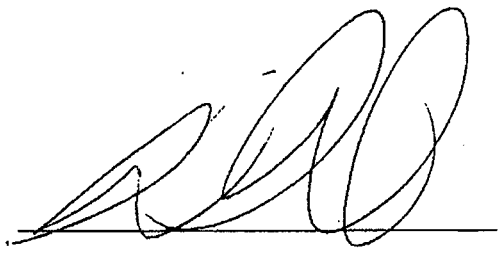
11. This Amendment shall be binding upon and inure to the benefit of the Lender, the Borrower and the Guarantors and their respective successors and assigns.

12. This Amendment and all documents executed in connection herewith constitute Loan Documents within the meaning of that term as defined in the Loan Agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have executed this Amendment as of the 12th day of February, 2002.

WITNESS:

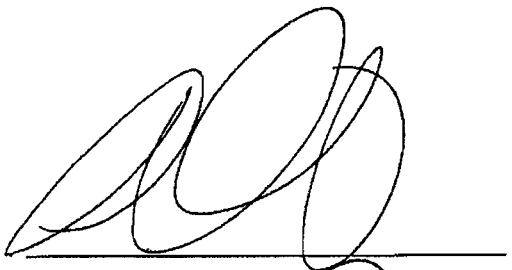


BORROWER:

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Member

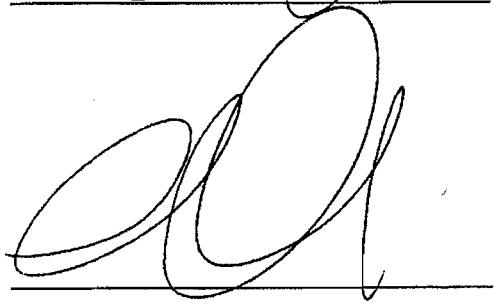
By: _____ (SEAL)
Jeffrey A. Jacobson
Senior Vice President



GUARANTORS:

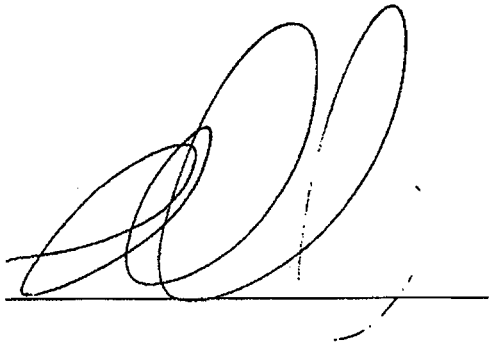
ERICKSON RETIREMENT COMMUNITIES, LLC

By: _____ (SEAL)
Jeffrey A. Jacobson
Senior Vice President



ERICKSON GROUP, LLC

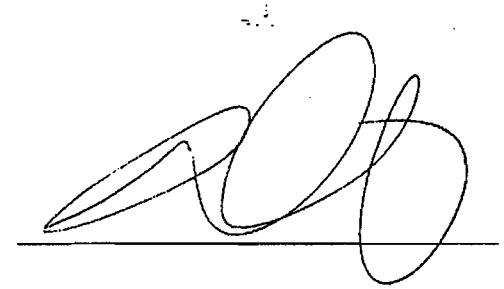
By: _____ (SEAL)
Jeffrey A. Jacobson
Senior Vice President



TENANT:

FOX RUN VILLAGE, INC.

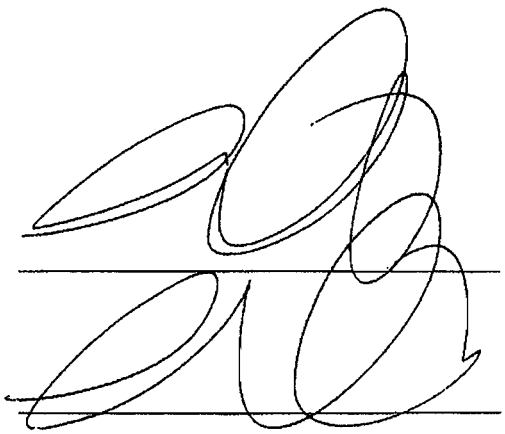
By: _____ (SEAL)
Bruce R. Grindrod, Jr.,
President



CONTRACTOR:

ERICKSON CONSTRUCTION, LLC

By: _____(SEAL)
Jeffrey A. Jacobson
Secretary

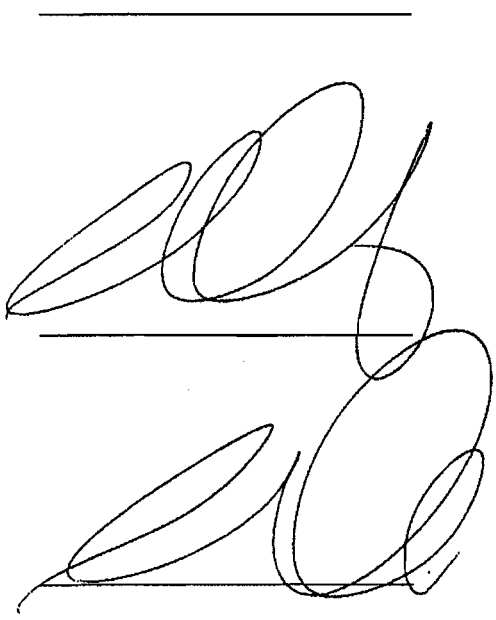


CREDITORS:

By: _____(SEAL)
John C. Erickson

By: _____(SEAL)
Nancy A. Erickson

SENIOR LIVING LIMITED PARTNERSHIP



By: _____(SEAL)
Paul L. Erickson, Trustee of the Irrevocable Trust of John C. Erickson u/a dated December 31, 1997, Its General Partner

J & N NEVADA HOLDING, INC.

By: _____(SEAL)
John C. Erickson,
President

JCE HOLDING CORP.

By: _____(SEAL)
John C. Erickson,
President

Bank Of America - CD#13 - Control ID#1133

CONTRACTOR:

ERICKSON CONSTRUCTION, LLC

By: _____(SEAL)
Jeffrey A. Jacobson
Secretary

CREDITORS:

By: _____(SEAL)
John C. Erickson

By: _____(SEAL)
Nancy A. Erickson

SENIOR LIVING LIMITED PARTNERSHIP

By: _____(SEAL)
Paul L. Erickson, Trustee of the Irrevocable Trust of John C. Erickson u/a dated December 31, 1997, Its General Partner

J & N NEVADA HOLDING, INC.

By: _____(SEAL)
John C. Erickson,
President

JCE HOLDING CORP.

By: _____(SEAL)
John C. Erickson,
President

LENDER:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____ (SEAL)
Bruce D. McLean,
Senior Vice President

WAIVER AND EXTENSION AGREEMENT

THIS WAIVER AND EXTENSION AGREEMENT (this "Agreement") is executed as of the 31st day of July, 2002 by and among NOVI CAMPUS, LLC, a Maryland limited liability company (the "Borrower"), ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company (the "Guarantor") and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation (the "Lender").

RECITALS

The Borrower, the Guarantor and the Lender are parties (together with others, collectively, the "Parties") to a Construction Loan Agreement (the "Loan Agreement") and the "Loan Documents" referred to therein dated as of February 12, 2002 relating to a loan in the maximum amount of Forty-Six Million Dollars ($46,000,000) from the Lender to the Borrower relating to the development of a retirement community to be known as "Fox Run Village Retirement Community" on approximately one hundred two (102) acres of land owned by the Borrower located on Thirteen Mile Road in The City of Novi, Oakland County, Michigan, as more particularly described in the Loan Documents. All capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Loan Document.

Pursuant to the terms of a First Comprehensive Amendment to Loan Documents dated as of February 12, 2002 (which is one of the Loan Documents), the Parties agreed to postpone the date for investment of the Borrower's required equity of $17,000,000 in the Project from the closing to June 30, 2002. The Borrower, the Guarantor and the Lender now desire to extend that date to November 30, 2002, and to waive any default related to failure to invest such sums prior to November 30, 2002, provided that the Borrower invest additional amounts according to the draw schedule referred to herein, and subject to the condition that the Lender shall not be obligated to advance any additional Loan proceeds, except for advances to pay interest due in connection with the Loan, until such time as Borrower has invested its total required equity of $17,000,000 in the Project.

Pursuant to a Post Closing Agreement dated as of February 12, 2002 (which is one of the Loan Documents), the Borrower and the Lender agreed to certain timeframes within which the Borrower would be obligated to supply information and documentation not available at closing. The Borrower has not met certain of the timeframes set forth in the Post Closing Agreement, and the Borrower, the Guarantor and the Lender now desire to extend certain of those timeframes and to waive any default related to failure to meet the timeframes being extended by this Agreement prior to the date hereof.

AGREEMENTS

NOW THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Recitals are incorporated by reference herein as material terms of this Amendment and shall be binding on the Borrower, the Guarantor and the Lender.

2. The terms of this Amendment shall govern and control over any contrary or inconsistent terms of the Loan Documents.

3. The Borrower, the Guarantor and the Lender agree that (a) the Borrower shall not be entitled to any further draws under the Loan, except for amounts necessary to pay interest, unless and until the Borrower has invested its total required equity of $17,000,000 in the Project and has demonstrated and detailed such investment to the reasonable satisfaction of the Lender, (b) the date by which Borrower shall invest its required $17,000,000 in equity in the Project shall be and is hereby extended from June 30, 2002 to November 30, 2002; and (c) the Borrower shall fund all costs of the Project, except interest, until the required equity of $17,000,000 is invested in the Project, and shall fund not less then 90% of the amounts shown on the Borrower's revised draw schedule for the Project attached hereto as Exhibit A on or before each date shown thereon for the months of August, September, October and November of 2002.

4. The Borrower and the Lender hereby acknowledge and agree that (a) attached hereto as Exhibit B is a revised schedule showing all remaining items not yet supplied pursuant to the terms of the Post Closing Agreement, and showing new, extended due dates for certain of such remaining open items, (b) the schedule attached as Exhibit B hereto shall replace and is hereby substituted as of the date of this Agreement for the Schedule A attached to the Post Closing Agreement, and (c) Borrower shall comply with the new, revised timeframes and due dates shown on Exhibit B hereto for all items outstanding under the Post Closing Agreement.

5. Lender hereby waives all defaults, Defaults and Events of Default which have occurred, or would occur in the future, based on Borrower's failure to meet the prior due dates for investment of its equity in the Project and failure to timely provide items required under the Post Closing Agreement; provided, however, that such waiver is contingent and conditional upon Borrower's and Guarantor's performance of the obligations set forth herein.

6. The Borrower shall pay to the Lender on demand all costs and expenses both now and hereafter paid or incurred with respect to the preparation, negotiation, execution, administration and enforcement of this Agreement and all documents related thereto, including, without limitation, attorneys' fees and expenses, recording costs, recordation and other taxes, appraisal fees, costs of record searches, title company premiums and costs, fees and expenses for environmental audits and survey costs, and in connection with any amendments to the Loan Documents in connection with the negotiation and consummation of any participation agreements.

7. This Agreement is only an agreement waiving certain defaults and modifying certain provisions of the Loan Documents. All of the provisions of the Loan Documents are incorporated herein by reference and shall remain and continue in full force and effect as amended by this Agreement. The Borrower and the Guarantor hereby ratify and confirm all of their obligations, liabilities and indebtedness under the provisions of the Loan Documents as amended by this Amendment. The Lender, the Borrower and the Guarantor agree it is their intention that nothing herein shall be construed to extinguish, release or discharge or constitute, create or effect a novation of, or an agreement to extinguish, any of the obligations, indebtedness and liabilities of the Borrower, the Guarantor or any other party under the provisions of the Loan Documents, or any assignment or pledge to the Lender of, or any security interest or lien granted to the Lender in or on, any collateral and security for such obligations, indebtedness and liabilities.

8. This Agreement shall be governed by the laws of the State of Maryland and may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts shall be deemed to be an original and all taken together shall constitute one and the same instrument.

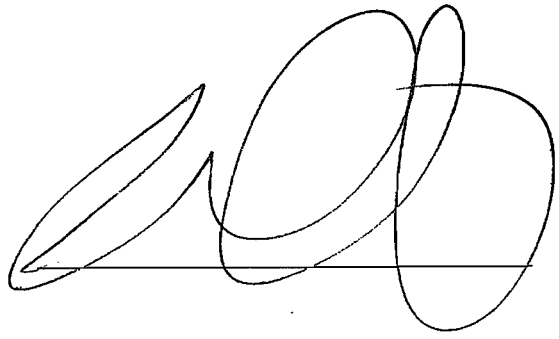
9. This Agreement shall be binding upon and inure to the benefit of the Lender, the Borrower and the Guarantors and their respective successors and assigns.

10. This Agreement and all documents executed in connection herewith constitute Loan Documents within the meaning of that term as defined in the Loan Agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have executed this Amendment as of the 31st day of July, 2002.

WITNESS:

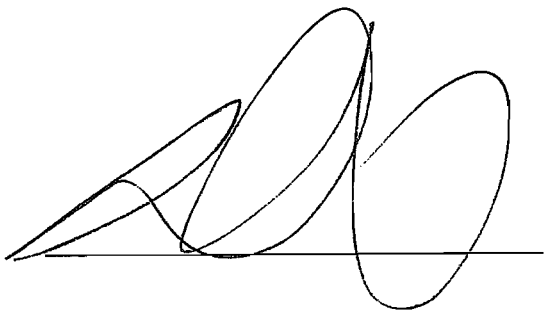


BORROWER:

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Member

By: _____(SEAL)
Name: Bernard M. Hirl
Title: Managing Director



GUARANTOR:

ERICKSON RETIREMENT COMMUNITIES, LLC

By: _____(SEAL)
Name: Bernard M. Hirl
Title: Managing Director

LENDER:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

_____

By: _____(SEAL)
Bruce D. McLean,
Senior Vice President

EXHIBIT A
Draw Schedule

Novi Campus LLC
Projected Monthly Draw
As of July 30, 2002

Period	ERC Equity	Mercantile Monthly Draw	Mercantile Cumulative LOC
Closing	$ 10,000,000	$ 9,033,128	$ 9,033,128
April Actual Draw		520,830	9,553,958
May Actual Draw		855,293	10,409,251
June Actual Draw		784,317	11,193,568
July Actual Draw		591,428	11,784,996
Aug-02	855,000		11,784,996
Sep-02	1,400,000		11,784,996
Oct-02	2,200,000		11,784,996
Nov-02	2,545,000	405,000	12,189,996
Dec-02		3,885,000	16,074,996
Jan-03		5,242,477	21,317,473
Feb-03		5,258,216	26,575,690
Mar-03		5,031,730	31,607,420
Apr-03		3,545,371	35,152,791
May-03		4,057,739	39,210,529
Jun-03		3,293,405	42,503,935
Jul-03		2,257,781	44,761,716
Aug-03		(191,467)	44,570,249
Sep-03		(3,406,051)	41,164,198
Oct-03		(3,520,629)	37,643,569
Nov-03		(1,042,994)	36,600,575
Dec-03		457,570	37,058,145
Jan-04		1,288,158	38,346,303
Feb-04		1,035,416	39,381,719
Mar-04		693,859	40,075,578
Apr-04		(3,263,875)	36,811,704
May-04		(2,139,982)	34,671,722
Jun-04		(1,382,776)	33,288,946
Jul-04		(230,382)	33,058,564
Aug-04		853,482	33,912,045
Sep-04		1,737,403	35,649,449
Oct-04		(2,137,098)	33,512,351
Nov-04		(2,161,486)	31,350,865
Dec-04		(307,752)	31,043,113
Jan-05		1,875,515	32,918,628
Feb-05		2,870,974	35,789,602
Mar-05		2,436,964	38,226,566
Apr-05		(1,829,648)	36,396,918
May-05		(3,148,786)	33,248,132
Jun-05		(642,797)	32,605,334
Jul-05		(871,845)	31,733,490
Aug-05		1,107,274	32,840,764

Sep-05		2,513,108	35,353,872
Oct-05		(724,466)	34,629,406
Nov-05		(802,074)	33,827,332
Dec-05		991,838	34,819,169
Jan-06		3,282,945	38,102,114
Feb-06		4,961,205	43,063,318
Mar-06		5,058,123	48,121,442
Apr-06		4,201,967	52,323,409
May-06		(88,071)	52,235,338
Jun-06		(2,507,969)	49,727,368
Jul-06		(818,967)	48,908,401
Aug-06		146,755	49,055,156
Sep-06		25,406	49,080,561
Oct-06		(2,467,210)	46,613,351
Nov-06		(1,559,555)	45,053,796
Dec-06		783,110	45,836,906
Jan-07		1,438,080	47,274,986
Feb-07		1,814,533	49,089,519
Mar-07		2,890,925	51,980,443
Apr-07		2,283,200	54,263,643
May-07		(1,031,478)	53,232,165
Jun-07		(2,071,060)	51,161,105
Jul-07		(1,330,005)	49,831,100
Aug-07		(3,761,310)	46,069,790
Sep-07		(2,109,412)	43,960,377
Oct-07		(681,576)	43,278,801
Nov-07		(1,840,087)	41,438,714
Dec-07		(1,795,431)	39,643,283
Jan-08		(199,699)	39,443,585
Feb-08		(87,094)	39,356,491
Mar-08		473,555	39,830,046
Apr-08		(801,611)	39,028,436
May-08		(4,696,999)	34,331,437
Jun-08		(5,089,817)	29,241,620
Jul-08		(3,380,892)	25,860,728
Aug-08		(2,864,868)	22,995,860
Sep-08		(3,691,668)	19,304,193
Oct-08		(5,080,691)	14,223,502
Nov-08		(5,535,826)	8,687,676
Dec-08		(3,889,973)	4,797,704
Jan-09		(2,310,156)	2,487,548
Feb-09		(1,327,037)	1,160,511
Mar-09		(1,160,511)	0
Total	$ 17,000,000	$ 0	$ 0

EXHIBIT B

Item/Document (Numbered Per Closing Checklist)		Due Date
2.3/ 3.8	Delivery of Community Loan Notes (Not required as a condition precedent to draws unless and until any such note is not delivered to Lender as and when the same is required to be executed under the form of Community Loan Agreement approved by Lender)	As and when the same are executed pursuant to the terms of the form of Community Loan Agreement approved by Lender
5.1(a)	Primary Construction Contract	August 15, 2002
5.1(b)	Site Work Contract (Initial Phases)	August 15, 2002
5.2	Copies of Major Subcontracts (Initial Phases)	September 1, 2002
5.3(a)	Agreement to Complete for Primary General Contractor	August 30, 2002
5.3(c)	Agreement to Complete for Site Work Contractor	August 30, 2002
5.3(d)	Agreement to Complete for Engineer	August 30, 2002
5.4	Revisions reasonably requested by Lender to Plans and Specifications for Initial Phases (which have been submitted but not yet reviewed by Lender)	Within thirty (30) days following reasonable request by Lender
5.7	Construction Permits and Approvals (Not condition precedent to draws until otherwise provided in Loan Agreement)	Prior to draws for work dependent on such permits and approvals.
5.8(b)	Final Approval of Site Plan	August 15, 2002
5.9	Conservation Easement Under MDEQ Permit	September 30, 2002
5.10	Cost Breakdown for Initial Phases	August 15, 2002
5.13	Evidence of approval by City of Novi of Contract to build sewer lift/pumping station	August 31, 2002
5.14	100% Payment and Performance Bonds for Initial Phases	September 1, 2002
5.15	Revisions reasonably requested by Lender to Phase Budgets (which has been submitted but	Within ten (10) days following reasonable request by Lender

Item/Document (Numbered Per Closing Checklist)		Due Date
	not yet reviewed by Lender)	
6.3	Final Order of Registration Under Living Care Disclosure Act	August 31, 2002
6.6	License for Nursing Home	Prior to admission of residents to Nursing Home
6.7	Health Facility Construction Permit for Nursing Home	Prior to any draw for construction of Nursing Home
7.8(a)	Casualty Insurance (Not a condition precedent to draws as long as builder's risk coverage maintained)	Upon expiration of Builder's Risk Insurance and prior to final draw
7.8(d)	Business Interruption Insurance (Not a condition precedent to draws unless the same is not provided after prior conduct of activities which are covered by such insurance)	Prior to conduct of any activities which would be covered by such insurance
7.8(e)	Professional Liability Insurance (Not a condition precedent to draws unless the same is not provided after prior conduct of activities which are covered by such insurance)	Prior to conduct of any activities which would be covered by such insurance
7.8(h)(ii)	Workers' Compensation Insurance for FRVI	Prior to hiring of employees of FRVI

Bank Of America - CD#13 - Control ID#1133

SECOND COMPREHENSIVE AMENDMENT TO LOAN DOCUMENTS

THIS SECOND COMPREHENSIVE AMENDMENT TO LOAN DOCUMENTS (this "**Amendment**") is executed effective as of as of the 1st day of August, 2005 by the undersigned parties (collectively, the "**Parties**").

RECITALS

The Parties are parties to either a Construction Loan Agreement dated February 12, 2002, as amended by a First Comprehensive Amendment to Loan Documents of the same date (the "**Loan Agreement**"), or to one or more of the "Loan Documents" referred to therein, relating to a loan in the maximum amount of Forty-Six Million Dollars ($46,000,000) from Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation (the "**Lender**") to Novi Campus, LLC, a Maryland limited liability company (the "**Borrower**") relating to the development of a retirement community known as "**Fox Run Village**" or the "**Project**" on approximately one hundred two (102) acres of land located on Thirteen Mile Road in The City of Novi, Oakland County, Michigan, as more particularly described in the Loan Documents. All capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Loan Documents.

The Borrower is in default of certain of its obligations under the Loan Documents. Accordingly, the Borrower has requested that the Lender waive certain defaults and amend certain provisions of the Loan Documents. The Lender has agreed to such request on the terms and conditions set forth herein, including the agreement of Erickson Retirement Communities, LLC ("**ERC**") to invest additional equity in the Project in the amount of $23,000,000.00.

AGREEMENTS

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

1. Recitals. The Parties acknowledge that the above Recitals to this Amendment are true and correct, and agree that the same are incorporated by reference into the body of this Amendment.

2. Amendments to Loan Documents. The Parties hereby agree to the following amendments to the Loan Documents:

(a) Section 2.1(a)(vi)(1) of the Loan Agreement is hereby amended by deleting the words "Working Capital Advances above Sixteen Million Dollars ($16,000,000)" and by substituting the words "Working Capital Advances above Twenty-Five Millions Dollars ($25,000,000)" in lieu thereof.

(b) Section 8.19 of the Loan Agreement is hereby amended by deleting in its entirety clause (b)(ii) thereof and by substituting the following clause in lieu thereof: "(ii) all such notes in the aggregate shall not exceed Five Million Dollars ($5,000,000) at any time without prior written consent of Lender".

(c) Section 9.1(q) of the Loan Agreement is hereby amended by deleting the words "at a rate of at least fifteen (15) moves per month" and by substituting the words "at a rate of at least eight (8) moves per month" in lieu thereof.

(d) Schedule I to the Loan Agreement is hereby deleted in its entirety and is hereby replaced with the Schedule I attached hereto. By substituting Schedule I attached hereto for the original Schedule I to the Loan Agreement, the parties acknowledge and agree that the Completion Dates for the Construction Phases of the Project shown on Schedule I hereto are being extended so that the date of Substantial Completion of any such Construction Phase (including submission of all documents described in Section 5.1 of the Loan Agreement) must occur on or before the date which is ninety (90) days after the new completion dates shown on Schedule I attached hereto (as required by the provisions of Section 1.17 of the Loan Agreement).

(e) Section 9.1(r) of the Loan Agreement is hereby deleted in its entirety and the following provision is hereby inserted in lieu thereof:

> "(r) The failure of the Tenant to make a loan in the full amount contemplated under the Community Loan Documents with respect to a Continuing Care Unit at the time a resident occupies a Continuing Care Unit, whether or not such failure constitutes a default or Event of Default under the Community Loan Documents, except for Units occupied under the promissory note arrangement described in Section 8.19(b)(ii) of this Agreement, in which case the failure of the Tenant to make such loan upon receipt of payment under any such promissory note shall constitute an Event of Default hereunder."

3. Consent to Increase in Working Capital Loan. The Lender hereby consents to an increase in the maximum amount of the Working Capital Loan from $16,000,000 to $25,000,000, subject, however, to the Borrower's provision to the Lender of originals of all executed amendments to the Working Capital Loan Documents (including the original note).

4. Modifications to Scope of Project. The Parties hereby agree that the scope of the Project shall be altered and reduced as described in Schedule I attached hereto, which provides generally for the cessation of construction following the completion of RB21 and phase 1 of the Extended Care Center. As so altered and reduced in scope, the Project shall consist of 685 independent living Units and 132 skilled nursing Units located in six (6) residential buildings and one (1) extended care building, and serviced by one (1) community building. Any and all changes to the Plans and Specifications for the Project necessary to accomplish the alteration and reduction in the scope of the Project as shown in Schedule I attached hereto, as well as any other changes in the Plans and Specifications which would otherwise require Lender's approval under the Loan Documents (including a change to wood framing), shall remain subject to prior written approval by the Lender and its Construction Inspector. The Parties acknowledge and agree that any future change in the scope of the Project, including any decision to resume construction of

any portion of the Project beyond RB2.1, shall be subject to the prior written consent of the Lender in its sole discretion.

5. Waiver of Events of Default.

(a) Subject to the terms, conditions and understandings contained in this Amendment, and for so long as there does not exist a Waiver Default (as hereinafter defined) under the terms of this Amendment, the Lender hereby waives any and all defaults arising under the Loan Agreement and the other Loan Documents as a result of (i) the Borrower's suspension of work on Residential Building 2.1 for longer than the fifteen (15) day period permitted under the Loan Agreement, and (ii) the Borrower's failure to cause Substantial Completion of Construction Phase RB2.1 on or before its Completion Date, (iii) the Borrower's acceptance of promissory notes in excess of the values permitted under Section 8.19 of the Loan Agreement (iv) any failure to comply with the provisions of Section 9.1(r) of the Loan Agreement which would not have been in default had the new provisions of Section 9.1(r) set forth in this Amendment been in effect, (v) the failure to move Residents in to the Project at a rate of fifteen (15) moves per month, and (vi) the increase in the Working Capital Loan above Sixteen Million Dollars ($16,000,000.00). The waiver provided for herein shall terminate automatically (without notice to the Borrower), and Lender shall have no obligation to refrain and forbear from exercising or enforcing any of its rights or remedies under the Loan Agreement or the other Loan Documents, upon the occurrence and during the continuance of a Waiver Default. The Borrower acknowledges and agrees that this Amendment applies to and governs only the Borrower's obligations under the Loan Documents and does not apply to or govern any other obligation, liability, or indebtedness of the Borrower or any other person to the Lender. The occurrence of any or more of the following events or occurrences shall constitute a "**Waiver Default**" under this Amendment:

(1) The failure of the Borrower to observe, perform, or comply with any of the terms, conditions or provisions of this Amendment and/or any other document executed and delivered in connection with this Amendment, as and when required.

(2) If any recital, representation or warranty made herein, in any document executed and delivered in connection herewith, or in any report, certificate, financial statement or other instrument or document previously, now or hereafter furnished by or on behalf of the Borrower in connection with this Amendment or any other document executed and delivered in connection with this Amendment, shall prove to have been false, incomplete or misleading in any respect on the date as of which it was made.

(3) The occurrence of a Default or Event of Default under any of the Loan Documents (including the Loan Agreement) as amended by this Amendment.

(b) Immediately upon the occurrence of any Waiver Default, the obligations, agreements and commitments of the Lender set forth in this Section 5 shall immediately and automatically terminate and be of no further force or effect without further notice to or consent of the Borrower, the Guarantors or any other person or entity, and the Lender shall have the right to exercise and enforce any and all rights and remedies available to

the Lender under this Amendment, under any and all documents executed and delivered in connection with this Amendment, under any and all Loan Documents, and under applicable laws to the same extent as though this Section 5 had never been executed, without regard to any notice or cure period contained in any of the foregoing or otherwise available under applicable laws. All rights and remedies available to the Lender under this Amendment, under any documents executed and delivered in connection with this Amendment, under any and all of the Loan Documents, and under applicable laws, may be asserted, enforced and exercised concurrently, cumulatively or successively from time to time and at any time until such time as the Loan and all other obligations of Borrower and Guarantors under the Loan Documents shall have been indefeasibly paid in full.

6. Increase in Equity; Draw Process. In consideration of the Lender's agreements set forth in this Amendment, ERC hereby agrees to invest as additional capital in the Borrower and the Project the sum of Twenty-three Million Dollars ($23,000,000.00) (the "Additional Equity"). The Additional Equity shall be invested in the Project as described in this Section 6. Commencing in August, 2005 the Lender ceased funding further draws under the Loan Documents except for advances necessary to pay interest on the Loan, pending ERC's investment of the Additional Equity. On a monthly basis, ERC will advance funds necessary to cover the costs of the Project which would otherwise have been advanced by the Lender under the Loan Documents, except for interest due on the first day of each calendar month, which shall continue to be advanced by the Lender in accordance with and subject to the terms of the Loan Documents. Borrower shall continue to provide all paperwork to the Lender showing each monthly advance by ERC, in the same format as if such funds were to be advanced by Lender, and Lender's construction inspector shall continue to inspect all work on the Project during the period in which ERC is advancing such costs. Once the Additional Equity has been fully invested by ERC, and provided no uncured Default or Event of Default has occurred under the Loan Documents, the Lender shall once again commence funding draws under the Loan Documents in accordance with the terms thereof, including the provisions of Section 6.1 of the Loan Agreement regarding insufficiency of Loan proceeds. The Parties acknowledge that the Additional Equity has been calculated as the amount necessary as of the date of this Amendment to bring the Project Work into financial balance, but that such amount may change over time, in which case it is possible that the Borrower and Guarantors may be required to advance funds in addition to the Additional Equity prior to the Lender's recommencement of advances under the Loan Agreement. The Parties also acknowledge that it is possible the Project may once again achieve financial balance before ERC has invested the full amount of the Additional Equity, but in such case the Lender shall have no obligation to recommence funding of draws under the Loan Documents until the full amount of the Additional Equity has been spent into the Project (unless the Lender should agree otherwise in advance in writing in its sole discretion).

7. Modifications of Subordination Provisions. Notwithstanding anything to the contrary in the Loan Documents, neither the Borrower nor the Tenant shall pay any management fees, development fees, or other fees, or make any distributions or payments of any kind (including payments to reimburse ERC for interest paid to CNL Retirement ER2, LP [the "Ground Lessor"] under the Ground Lease Agreement dated February 28, 2003) to ERC or its affiliates until ERC has funded the Additional Equity into the Project, unless the Lender shall agree otherwise in advance in writing in its sole discretion, provided, however, that allowable

Project costs paid by the Borrower or ERC shall count toward the amount of the Additional Equity required to be invested by ERC in the Project. Upon written request by Tenant, the Lender shall provide written notice to the Tenant that the Additional Equity requirement has been satisfied or waived but in no event may Tenant rely on such notice for any purpose other than with respect to determining whether Tenant may make any payments in connection with the subordination provisions of the Loan Documents.

8. Acknowledgement of the Parties. Each of the Parties hereby acknowledges the provisions of this Amendment and hereby reaffirms its obligations in connection with the Loan from and after the date of execution hereof on the terms originally provided in the Loan Documents, as amended by this Amendment.

9. Grants of Liens and Security Interests. Each of the Parties hereby grants, regrants and confirms the grant of all liens and security interest in and to all collateral described in the Loan Documents as collateral for the Loan on the terms set forth in the Loan Documents from and after the date of execution of this Amendment.

10. Fees, Costs and Expenses. The Borrower shall pay to the Lender on demand all costs and expenses both now and hereafter paid or incurred with respect to the preparation, negotiation, execution, administration and enforcement of this Amendment and all documents related thereto, including without limitation, reasonable attorneys' fees and expenses.

11. Representations and Warranties. In order to induce the Lender to enter into this Amendment, the Borrower and the Guarantors jointly and severally represent and warrant to the Lender that as of the date hereof (a) no Event of Default exists under the provisions of any of the Loan Documents, as amended by this Amendment; (b) no event exists which, with the giving of notice of lapse of time or both, could or would constitute an Event of Default under the provisions of any of the Loan Documents, as amended by this Amendment; (c) all of the representations and warranties of the Borrower and the Guarantors in the Loan Documents, as amended by this Amendment, are true and correct on the date hereof as if the same were made on the date hereof; (d) all collateral for the Loans is free and clear of all assignments, security interests, liens and other encumbrances of any kind and nature whatsoever except for those granted or permitted under the provisions of the Loan Documents, as amended by this Amendment; (e) no material adverse change has occurred in the business, financial condition, prospects or operations of the Borrower or the Guarantors since the date of the financial statements most recently furnished to the Lender in accordance with the provisions of the Loan Documents, as amended by this Amendment; and (f) the Loan Documents, as amended by this Amendment, constitute the legal, valid and binding obligations of the Borrower and the Guarantors enforceable in accordance with their respective terms except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

If any of the foregoing representations and warranties shall prove to be false, incorrect or misleading in any material respect, the Lender may, in its absolute and sole discretion, declare that an Event of Default has occurred and exists under the provisions of each of the Loan

Documents in which case the Lender shall be entitled to pursue any and all remedies provided in the Loan Documents or otherwise available under applicable laws.

12. No Novation; Amendment and Modification Only. This Amendment is only an agreement amending and modifying certain provisions of the Loan Documents. All of the provisions of the Loan Documents are incorporated herein by reference and shall remain and continue in full force and effect as amended by this Amendment. The Parties hereby ratify and confirm all of their obligations, liabilities and indebtedness under the provisions of the Loan Documents as amended by this Amendment. The Parties agree it is their intention that nothing herein shall be construed to extinguish, release or discharge or constitute, create or effect a novation of, or an agreement to extinguish, any of the obligations, indebtedness and liabilities of any or all of the Parties under the provisions of the Loan Documents, or any assignment or pledge to the Lender of, or any security interest or lien granted to the Lender in or on, any collateral and security for such obligations, indebtedness and liabilities.

13. Applicable Law; Counterparts. This Amendment shall be governed by the laws of the State of Maryland (without regard to principles of conflicts of law), both in interpretation and performance. This Amendment may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts shall be deemed to be an original and all taken together shall constitute one and the same instrument.

14. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

15. No Waiver of Defaults. Except as set forth in Section 5 of this Amendment, the execution, delivery and acceptance of this Amendment and the Related Documents do not constitute and shall not be interpreted as a waiver of any Default or Event of Default by the Lender with respect to the Loan Documents. The Lender reserves all of its rights with respect to all such matters.

16. Definitions. From and after the date hereof, the term "**Loan Documents**" as used in each of the Loan Documents, shall include this Amendment and the definition of each Loan Document shall mean that particular Loan Document, as amended by this Amendment.

17. Other Modified Loan Documents. Each of the remaining Loan Documents not otherwise amended pursuant to the terms above, shall be amended to reflect the modifications implemented herein.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have executed this Amendment effective as of the 1st day of August, 2005.

WITNESS:

BORROWER:

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Member

By:_____(SEAL)
Jeffrey A. Jacobson,
Executive Vice President and Chief Financial Officer

GUARANTORS:

ERICKSON RETIREMENT COMMUNITIES, LLC

By:_____(SEAL)
Jeffrey A. Jacobson,
Executive Vice President and Chief Financial Officer

ERICKSON GROUP, LLC

By:_____(SEAL)
Jeffrey A. Jacobson,
Executive Vice President and Chief Financial Officer

TENANT:

FOX RUN VILLAGE, INC.

_____

By:_____(SEAL)
Ronald E. Walker,
President

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have executed this Amendment effective as of the 1st day of August, 2005.

WITNESS:

BORROWER:

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Member

_____

By:_____(SEAL)
Jeffrey A. Jacobson,
Executive Vice President and Chief Financial Officer

GUARANTORS:

ERICKSON RETIREMENT COMMUNITIES, LLC

_____

By:_____(SEAL)
Jeffrey A. Jacobson,
Executive Vice President and Chief Financial Officer

ERICKSON GROUP, LLC

_____

By:_____(SEAL)
Jeffrey A. Jacobson,
Executive Vice President and Chief Financial Officer

TENANT:

FOX RUN VILLAGE, INC.

_____

By: Ronald E. Walker (SEAL)
Ronald E. Walker,
President

CONTRACTOR:

WITNESS:

ERICKSON CONSTRUCTION, LLC

By:_____(SEAL)
Jeffrey A. Jacobson,
Secretary

CREDITORS:

By:_____(SEAL)
John C. Erickson

By:_____(SEAL)
Nancy A. Erickson

SENIOR LIVING LIMITED PARTNERSHIP

By:_____(SEAL)
Paul L. Erickson, Trustee of the Irrevocable Trust of John C. Erickson u/a dated December 31, 1997, Its General Partner

J & N NEVADA HOLDING, INC.

By:_____(SEAL)
John C. Erickson,
President

JCE HOLDING CORP.

By:_____(SEAL)
John C. Erickson,
President

CONTRACTOR:

WITNESS:

ERICKSON CONSTRUCTION, LLC

_____

By:_____(SEAL)
Jeffrey A. Jacobson,
Secretary

CREDITORS:

_____

By:_____(SEAL)
John C. Erickson

_____

By:_____(SEAL)
Nancy A. Erickson

SENIOR LIVING LIMITED PARTNERSHIP

_____

By:_____(SEAL)
Paul L. Erickson, Trustee of the Irrevocable Trust of John C. Erickson u/a dated December 31, 1997, Its General Partner

J & N NEVADA HOLDING, INC.

_____

By:_____(SEAL)
John C. Erickson,
President

JCE HOLDING CORP.

_____

By:_____(SEAL)
John C. Erickson,
President

WITNESS:

Nancy L. Harris

LENDER:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: D. S. Woelper (SEAL)
D. Seward Woelper,
Assistant Vice President

CONSENT AND
ACKNOWLEDGMENT OF GROUND LESSOR

The undersigned, being parties to a Ground Lease Agreement dated February 28, 2003, relating to the Project, hereby acknowledge and consent to the execution and delivery of the foregoing Second Comprehensive Amendment to Loan Documents (the "Second Amendment"). All references in the Ground Lessor Tri-Party Agreement by and among the undersigned and Mercantile-Safe Deposit and Trust Company dated February 28, 2003 to the Loan, the Loan Agreement or the Loan Documents shall henceforth be deemed to refer to and shall include the foregoing Second Amendment.

WITNESS:

GROUND LESSOR:

CNL RETIREMENT ER2, LP, a Delaware limited partnership

By: CNL RETIREMENT ER2, LP, a Delaware limited liability company, its general partner

By: _____ (SEAL)
Name: Stuart Beebe
Title: President

CNL RETIREMENT PARTNERS, LP, a Delaware limited partnership

By: CNL RETIREMENT PARTNERS, GP CORP., a Delaware corporation, its general partner

By: _____ (SEAL)
Name: Stuart Beebe
Title: President

SCHEDULE I

SCHEDULE OF CONSTRUCTION PHASES

Project	Construction Start	Substantially Completed
Masterplan	July 2001	
Marketing Center Trailer	July 2001	October 2001
Sitework 1	March 2002	July 2005
Gatehouse 1	January 2003	June 2003
Community Bldg 1.0/Pool	July 2002	August 2003
Residential Building 1.1	June 2002	June 2003
Residential Building 1.2	August 2002	August 2003
Residential Building 1.3	May 2003	April 2004
Parking Deck #1	November 2004	May 2005
Residential Building 1.4	August 2003	September 2004
Residential Building 1.5	August 2004	May 2005
Sitework 2 (includes NH2)	June 2004	December 2007
Residential Building 2.1	June 2005	June 2006
Extended Care Phase 1	March 2006	June 2007

580
A6

THIRD COMPREHENSIVE AMENDMENT TO LOAN DOCUMENTS

THIS THIRD COMPREHENSIVE AMENDMENT TO LOAN DOCUMENTS (this "**Amendment**") is executed effective as of as of the 1st day of July, 2006 by the undersigned parties (collectively, the "**Parties**").

RECITALS

The Parties are parties to either a Construction Loan Agreement dated February 12, 2002, as amended by a First Comprehensive Amendment to Loan Documents (the "**First Amendment**") of the same date and by a Second Comprehensive Amendment to Loan Documents (the "**Second Amendment**") dated as of August 1, 2005 (collectively, as further amended hereby, the "**Loan Agreement**"), or to one or more of the "Loan Documents" referred to therein, relating to a loan in the maximum amount of Forty-Six Million Dollars ($46,000,000) from PNC Bank, National Association (as successor in interest to Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation) (the "**Lender**") to Novi Campus, LLC, a Maryland limited liability company (the "**Borrower**") relating to the development of a retirement community known as "**Fox Run Village**" or the "**Project**" on approximately one hundred two (102) acres of land located on Thirteen Mile Road in The City of Novi, Oakland County, Michigan, as more particularly described in the Loan Documents. All capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Loan Documents.

The Borrower has invested Additional Equity in the Project in the amount of $23,000,000.00 as required by the terms of the Second Amendment, and now desires to expand the scope of the Project (which was reduced by the Second Amendment) to include a second Community Building. The Lender has agreed to such request on the terms and conditions set forth herein, including the agreement of Erickson Retirement Communities, LLC ("**ERC**") to invest additional equity to cover the costs of such second Community Building.

AGREEMENTS

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

1. Recitals. The Parties acknowledge that the above Recitals to this Amendment are true and correct, and agree that the same are incorporated by reference into the body of this Amendment.

2. Amendments to Loan Documents. The Parties hereby agree to the following amendments to the Loan Documents:

(a) Section 2.1(a)(vi)(1) of the Loan Agreement is hereby amended by deleting the words "Working Capital Advances above Twenty-Five Millions Dollars ($25,000,000)" and by substituting the words "Working Capital Advances above Thirty-Four Millions Dollars ($34,000,000)" in lieu thereof.

(b) Section 2.1(a)(vi)(1) of the Loan Agreement is hereby amended by deleting the words "amount of all issued and outstanding Letters of Credit above Two Million Dollars ($2,000,000)" and by substituting the words "amount of all issued and outstanding Letters of Credit above Four Million Dollars ($4,000,000)" in lieu thereof.

(c) The last sentence of Section 2.7(a) shall be deleted and replaced with the following sentence: "Under no circumstance shall the face amount of all issued and outstanding Letters of Credit at any point in time exceed Four Million Dollars ($4,000,000) without the prior written consent of the Lender."

(d) Schedule I to the Loan Agreement (which was previously replaced by the terms of the Second Amendment) is hereby deleted in its entirety and is hereby replaced with the Schedule I attached hereto.

3. Consent to Increase in Working Capital Loan. The Lender hereby consents to an increase in the maximum amount of the Working Capital Loan from $25,000,000 to $34,000,000, subject, however, to the Borrower's provision to the Lender of originals of all executed amendments to the Working Capital Loan Documents (including the original note).

4. Modifications to Scope of Project. The Parties hereby agree that the scope of the Project shall be altered as described in Schedule I attached hereto, which provides for the addition of a second Community Building (CB2.0) to the scope of the Project previously approved in the Second Amendment. As so altered in scope, the Project shall consist of 685 independent living Units and 132 skilled nursing Units located in six (6) residential buildings and one (1) extended care building, and serviced by two (2) community buildings. Any and all changes to the Plans and Specifications for the Project necessary to accomplish the alteration in the scope of the Project as shown in Schedule I attached hereto, as well as any other changes in the Plans and Specifications which would otherwise require Lender's approval under the Loan Documents (including a change to wood framing), shall remain subject to prior written approval by the Lender and its Construction Inspector. The Parties acknowledge and agree that any future change in the scope of the Project, including any decision to resume construction of any portion of the Project beyond CB2.0, shall be subject to the prior written consent of the Lender in its sole discretion, subject, however, to the provisions of Section 5 below.

5. Increase in Equity; Draw Process. In consideration of the Lender's agreements set forth in this Amendment, ERC hereby agrees to invest as additional capital in the Borrower and the Project all amounts necessary to pay for the costs of constructing and equipping CB2.0 (the "**CB Equity**"). The CB Equity shall be invested in the Project as described in this Section 5. Commencing in August, 2005 the Lender ceased funding further draws under the Loan Documents except for advances necessary to pay interest on the Loan, pending ERC's investment of the Additional Equity described in the Second Amendment. ERC has now completed the investment of the Additional Equity, and in accordance with the terms of the Second Amendment, the Borrower is now entitled (subject to the other terms of the Loan Documents) to recommence drawing funds on the Loan to pay for the costs of construction of those portions of the Project approved in the Second Amendment (i.e., through RB2.1). All costs of constructing and equipping CB2.0 shall be paid from and out of the CB Equity provided by ERC. On a monthly basis, ERC will advance funds necessary to cover all costs of constructing

and equipping CB2.0. Borrower shall continue to provide all paperwork to the Lender showing each monthly advance by ERC related to CB2.0, in the same format as if such funds were to be advanced by Lender, and Lender's construction inspector shall continue to inspect all work on CB2.0 notwithstanding the fact that ERC is advancing such costs. The Parties acknowledge that the CB Equity is the amount necessary as of the date of this Amendment to bring the Project Work into financial balance (based on Borrower's intent to construct CB2.0), but that such amount may change over time, in which case it is possible that the Borrower and Guarantors may be required to advance funds in addition to the CB Equity.

6. Additional Buildings Funded with ERC Equity. The Lender hereby agrees that, upon prior written notice to the Lender, the Borrower may construct additional Construction Phases of the Project (as shown on the original Schedule I to the Loan Agreement) subsequent to CB2.0 provided that (a) ERC invests additional equity in the Borrower sufficient to cover the costs of such additional Construction Phases; (b) no Default or Event of Default exists under the Loan Documents at the time of commencement of such a subsequent Construction Phase; and (c) the Borrower continues to comply with all of its obligations under the Loan Documents, including the obligation to keep the Project Work in financial balance during construction of all such subsequent Construction Phases. Following the occurrence of a Default or Event of Default under the Loan Documents, the Borrower shall not, without prior written consent of the Lender, commence construction of any new Construction Phase of the Project (even using additional equity from ERC). Under no circumstances shall the Borrower be entitled to draw Loan proceeds for any Construction Phase of the Project subsequent to RB2.1 without prior written approval from the Lender, except for interest due on the first day of each calendar month, which shall continue to be advanced by the Lender in accordance with and subject to the terms of the Loan Documents.

7. Subordination Provisions. The Lender hereby acknowledges and agrees that the provisions contained in Section 7 of the Second Amendment have been satisfied and are of no further force or effect. The subordination provisions of the Loan Documents, excluding the modifications thereto effected by Section 7 of the Second Amendment, shall remain in full force and effect.

8. Acknowledgement of the Parties. Each of the Parties hereby acknowledges the provisions of this Amendment and hereby reaffirms its obligations in connection with the Loan from and after the date of execution hereof on the terms originally provided in the Loan Documents, as amended by this Amendment.

9. Grants of Liens and Security Interests. Each of the Parties hereby grants, regrants and confirms the grant of all liens and security interest in and to all collateral described in the Loan Documents as collateral for the Loan on the terms set forth in the Loan Documents from and after the date of execution of this Amendment.

10. Fees, Costs and Expenses. The Borrower shall pay to the Lender on demand all costs and expenses both now and hereafter paid or incurred with respect to the preparation, negotiation, execution, administration and enforcement of this Amendment and all documents related thereto, including without limitation, reasonable attorneys' fees and expenses.

11. Representations and Warranties. In order to induce the Lender to enter into this Amendment, the Borrower and the Guarantors jointly and severally represent and warrant to the Lender that as of the date hereof (a) no Event of Default exists under the provisions of any of the Loan Documents, as amended by this Amendment; (b) no event exists which, with the giving of notice of lapse of time or both, could or would constitute an Event of Default under the provisions of any of the Loan Documents, as amended by this Amendment; (c) all of the representations and warranties of the Borrower and the Guarantors in the Loan Documents, as amended by this Amendment, are true and correct on the date hereof as if the same were made on the date hereof; (d) all collateral for the Loans is free and clear of all assignments, security interests, liens and other encumbrances of any kind and nature whatsoever except for those granted or permitted under the provisions of the Loan Documents, as amended by this Amendment; (e) no material adverse change has occurred in the business, financial condition, prospects or operations of the Borrower or the Guarantors since the date of the financial statements most recently furnished to the Lender in accordance with the provisions of the Loan Documents, as amended by this Amendment; and (f) the Loan Documents, as amended by this Amendment, constitute the legal, valid and binding obligations of the Borrower and the Guarantors enforceable in accordance with their respective terms except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

If any of the foregoing representations and warranties shall prove to be false, incorrect or misleading in any material respect, the Lender may, in its absolute and sole discretion, declare that an Event of Default has occurred and exists under the provisions of each of the Loan Documents in which case the Lender shall be entitled to pursue any and all remedies provided in the Loan Documents or otherwise available under applicable laws.

12. No Novation; Amendment and Modification Only. This Amendment is only an agreement amending and modifying certain provisions of the Loan Documents. All of the provisions of the Loan Documents are incorporated herein by reference and shall remain and continue in full force and effect as amended by this Amendment. The Parties hereby ratify and confirm all of their obligations, liabilities and indebtedness under the provisions of the Loan Documents as amended by this Amendment. The Parties agree it is their intention that nothing herein shall be construed to extinguish, release or discharge or constitute, create or effect a novation of, or an agreement to extinguish, any of the obligations, indebtedness and liabilities of any or all of the Parties under the provisions of the Loan Documents, or any assignment or pledge to the Lender of, or any security interest or lien granted to the Lender in or on, any collateral and security for such obligations, indebtedness and liabilities.

13. Applicable Law; Counterparts. This Amendment shall be governed by the laws of the State of Maryland (without regard to principles of conflicts of law), both in interpretation and performance. This Amendment may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts shall be deemed to be an original and all taken together shall constitute one and the same instrument.

14. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

15. No Waiver of Defaults. The execution, delivery and acceptance of this Amendment and the Related Documents do not constitute and shall not be interpreted as a waiver of any Default or Event of Default by the Lender with respect to the Loan Documents. The Lender reserves all of its rights with respect to all such matters.

16. Definitions. From and after the date hereof, the term "**Loan Documents**" as used in each of the Loan Documents, shall include this Amendment and the definition of each Loan Document shall mean that particular Loan Document, as amended by this Amendment.

17. Other Modified Loan Documents. Each of the remaining Loan Documents not otherwise amended pursuant to the terms above, shall be amended to reflect the modifications implemented herein.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have executed this Amendment effective as of the 1st day of July, 2006.

WITNESS:

BORROWER:

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Member

By:_____(SEAL)
Jeffrey A. Jacobson,
Executive Vice President and Chief Financial Officer

GUARANTORS:

ERICKSON RETIREMENT COMMUNITIES, LLC

By:_____(SEAL)
Jeffrey A. Jacobson,
Treasurer

ERICKSON GROUP, LLC

By:_____(SEAL)
Jeffrey A. Jacobson,
Executive Vice President and Chief Financial Officer

TENANT:

FOX RUN VILLAGE, INC.

By:_____(SEAL)
Ronald E. Walker,
President

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have executed this Amendment effective as of the 1st day of July, 2006.

WITNESS:

BORROWER:

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Member

By:_____(SEAL)
Jeffrey A. Jacobson,
Executive Vice President and Chief Financial Officer

GUARANTORS:

ERICKSON RETIREMENT COMMUNITIES, LLC

By:_____(SEAL)
Jeffrey A. Jacobson,
Treasurer

ERICKSON GROUP, LLC

By:_____(SEAL)
Jeffrey A. Jacobson,
Executive Vice President and Chief Financial Officer

TENANT:

FOX RUN VILLAGE, INC.

By: Ronald E. Walker (SEAL)
Ronald E. Walker,
President

CONTRACTOR:

WITNESS:

ERICKSON CONSTRUCTION, LLC

By:_____(SEAL)
Jeffrey A. Jacobson,
Treasurer

CREDITORS:

By:_____(SEAL)
John C. Erickson

By:_____(SEAL)
Nancy A. Erickson

SENIOR LIVING LIMITED PARTNERSHIP

By:_____(SEAL)
Paul L. Erickson, Trustee of the Irrevocable Trust of John C. Erickson u/a dated December 31, 1997, Its General Partner

J & N NEVADA HOLDING, INC.

By:_____(SEAL)
John C. Erickson,
President

JCE HOLDING CORP.

By:_____(SEAL)
John C. Erickson,
President

CONTRACTOR:

WITNESS:

ERICKSON CONSTRUCTION, LLC

Susan Oliveri

By: _____ (SEAL)
Jeffrey A. Jacobson,
Treasurer

CREDITORS:

_____

By: _____ (SEAL)
John C. Erickson

Cathy M. Thompson

By: _____ (SEAL)
Nancy A. Erickson

SENIOR LIVING LIMITED PARTNERSHIP

_____

By: _____ (SEAL)
Paul L. Erickson, Trustee of the Irrevocable Trust of John C. Erickson u/a dated December 31, 1997, Its General Partner

J & N NEVADA HOLDING, INC.

_____

By: _____ (SEAL)
John C. Erickson,
President

JCE HOLDING CORP.

_____

By: _____ (SEAL)
John C. Erickson,
President

CONTRACTOR:

WITNESS:

ERICKSON CONSTRUCTION, LLC

_____

By: _____ (SEAL)
Jeffrey A. Jacobson,
Treasurer

CREDITORS:

_____

By: _____ (SEAL)
John C. Erickson

_____

By: _____ (SEAL)
Nancy A. Erickson

SENIOR LIVING LIMITED PARTNERSHIP

_____

By: _____ (SEAL)
Paul L. Erickson, Trustee of the Irrevocable Trust of John C. Erickson u/a dated December 31, 1997, Its General Partner

J & N NEVADA HOLDING, INC.

_____

By: _____ (SEAL)
John C. Erickson,
President

JCE HOLDING CORP.

_____

By: _____ (SEAL)
John C. Erickson,
President

WITNESS:

LENDER:

PNC BANK, NATIONAL ASSOCIATION, as successor in interest to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____ (SEAL)
D. Seward Woelper,
Vice President

CONSENT AND ACKNOWLEDGMENT OF GROUND LESSOR

The undersigned, being party to that certain Ground Lease Agreement dated February 28, 2003, relating to the Project, and/or to the Tri-Party Agreement described herein, hereby acknowledge and consent to the execution and delivery of the foregoing Third Comprehensive Amendment to Loan Documents (the "Third Amendment"). All references in the Ground Lessor Tri-Party Agreement by and among the undersigned and PNC BANK, National Association (as successor in interest to Mercantile-Safe Deposit and Trust Company) dated February 28, 2003 (the "Tri-Party Agreement") to the Loan, the Loan Agreement or the Loan Documents shall henceforth be deemed to refer to and shall include the foregoing Third Amendment.

WITNESS:

Michelle A. Duffy

GROUND LESSOR:

HCP ER2, LP, a Delaware limited partnership (successor by merger to CNL Retirement ER2, LP)

By: HCP ER2 GP, LLC, a Delaware limited liability company, its general partner

By: Susan M. Tate (SEAL)
Name: Susan M. Tate
Title: Senior Vice President

HCP PARTNERS, LP, a Delaware limited partnership (successor by merger to CNL Retirement Partners, LP)

By: HCP GP CORP., a Delaware corporation, its general partner

By: Susan M. Tate (SEAL)
Name: Susan M. Tate
Title: Senior Vice President

SCHEDULE I

SCHEDULE OF CONSTRUCTION PHASES

See one page schedule attached hereto titled "Novi Campus Project Schedule 10/9/2007"

Novi Campus
Project Schedule
10/9/2007

Project	Construction Start	Substantially Completed
Community Building 1.0	Jul-02	Aug-03
Transitional Spaces	Jun-04	Oct-05
Residential Building 1.1	Jun-02	Jun-03
Residential Building 1.2	Aug-02	Aug-03
Residential Building 1.3	May-03	Apr-04
Residential Building 1.4	Aug-03	Sep-04
Residential Building 1.5	Jun-04	Mar-05
Community Building 2.0	Aug-06	Aug-07
Residential Building 2.1	Aug-05	Jun-06
Residential Building 2.2	Oct-07	Oct-08
Residential Building 2.3	TBD	TBD
Residential Building 2.4	TBD	TBD
Residential Building 2.5	TBD	TBD
Sitework 1.0	Mar-02	Jul-05
Sitework 2.0	Jun-04	Dec-07
Sitework 4.0	May-05	Feb-07
Master Planning	Jul-01	
Bridge 1	Mar-03	Aug-03
Bridge 2	Mar-07	Aug-07
Bridge 30	Apr-07	Sep-07
Gate House 1	Jan-03	Jun-03
Maintenance Building 1	Mar-02	Jul-05
Marketing Center 1	Jul-01	Oct-01
Parking Deck 1	Sep-04	Mar-05
Parking Deck 2	TBD	TBD
Extended Care 1.0	Jun-06	Sep-07

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FOURTH COMPREHENSIVE AMENDMENT TO LOAN DOCUMENTS

THIS FOURTH COMPREHENSIVE AMENDMENT TO LOAN DOCUMENTS (this "**Amendment**") is executed effective as of the 20th day of June, 2008, by the undersigned parties (collectively, the "**Parties**").

RECITALS

The Parties are parties to either a Construction Loan Agreement dated February 12, 2002, as amended by a First Comprehensive Amendment to Loan Documents (the "**First Amendment**") of the same date and by a Second Comprehensive Amendment to Loan Documents (the "**Second Amendment**") dated as of August 1, 2005, and by a Third Comprehensive Amendment to Loan Documents (the "**Third Amendment**") dated as of July 1, 2006 (collectively, and as further amended hereby, the "**Loan Agreement**"), or to one or more of the "Loan Documents" referred to therein, relating to a loan in the maximum amount of Forty-Six Million Dollars ($46,000,000) from PNC Bank, National Association (as successor in interest to Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation) (the "**Lender**") to Novi Campus, LLC, a Maryland limited liability company (the "**Borrower**") relating to the development of a retirement community known as "**Fox Run Village**" or the "**Project**" on approximately one hundred two (102) acres of land located on Thirteen Mile Road in The City of Novi, Oakland County, Michigan, as more particularly described in the Loan Documents. All capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Loan Documents.

The Parties have agreed to the use of the Flexible Payment Program (hereinafter defined) at Fox Run Village, on the terms set forth in this Amendment.

AGREEMENTS

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

1. Recitals. The Parties acknowledge that the above Recitals to this Amendment are true and correct, and agree that the same are incorporated by reference into the body of this Amendment.

2. Consent of Lender. The Lender hereby consents to the use of the Flexible Payment Program at Fox Run Village on the terms set forth in this Amendment.

3. Amended Definition of Entrance Fees. Section 1.34 of the Loan Agreement is hereby deleted in its entirety and the following Section 1.34 is hereby inserted in lieu thereof:

> "1.34 Entrance Fees: All amounts identified as comprising the 'Entrance Deposit' under the form of Residence and Care Agreement approved by the Lender for use at Fox Run Village Retirement Community, including all Entrance Fee Deposits, and including all 'Flexible Entrance Deposits'

and 'Monthly Differentials,' as those terms are defined in Schedule X attached hereto, paid pursuant to the Flexible Payment Program."

4. Additional Defined Terms. The following additional defined terms are hereby added to Article I of the Loan Agreement:

"1.91 Flexible Payment Program; Program. The Flexible Payment Program or "Program" as defined in the Flexible Payment Program Addendum attached hereto as Schedule X.

1.92 Available Units. The sum of the following:

1. All Units for which a certificate of occupancy has been issued and which are not occupied by a Resident who has paid the Full Entrance Fee for such Unit; plus

2. All units in a building for which all necessary building permits have been issued and for which construction has begun, whether or not a draw on the Loan has been made or is available under the Loan Documents with respect to such building.

Available Units shall be determined on the first day of each calendar month, and shall not be either increased or decreased by sales or other events occurring during that month, until the number of Available Units is recalculated on the first day of the next calendar month.

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

5. Flexible Payment Program Addendum. There is hereby added to the Loan Agreement a new Schedule X, which shall be the same as the Schedule X attached to this Amendment.

6. Program Covenants. There is hereby added to the Loan Agreement a new Section 8.26, to read as follows:

"8.26 Flexible Payment Program. The Borrower shall comply, and shall cause the Tenant and the Manager to comply, with each of the following covenants relative to the Flexible Payment Program:

(a) The Tenant and the Manager shall be permitted, in any calendar month, to admit Residents to Fox Run Village under the Flexible Payment Program, provided that the number of Residents so admitted during such month does not exceed (i) twenty percent

(20%) of the Available Units as calculated on the first day of such month, less (ii) the number of Residents already admitted to Fox Run Village under the Flexible Payment Program; and provided further that the total number of Residents admitted to Fox Run Village under the Flexible Payment Program does not at any given date exceed sixty (60) in total or twenty-five (25) in any one Residential Construction Phase.

(b) The Borrower shall cause the Tenant and the Manager to report compliance with the provisions of paragraph (a) of this Section to the Lender on a monthly basis, in arrears, at the same time financial reports are provided pursuant to Section 8.3(a) of this Agreement, and in a format reasonably acceptable to the Lender.

(c) The Borrower shall cause the Tenant and the Manager to comply with all obligations under Section 8.21 (Compliance With Laws, Agreements) of this Agreement as regards the Flexible Payment Program.

7. Program Residents Count as Reservations, Not Settlements. The parties agree that, nowithstanding any other provisions of the Loan Agreement, Residents admitted to Units under the Flexible Payment Program shall be counted as reservations applicable to the 70% and/or 85% requirements set forth in Section 4.3 of the Loan Agreement, but not toward the minimum move-in (also sometimes referred to by the Parties as the "settlement") requirement contained in Section 9.1(q) of the Loan Agreement; provided, however, that if a Resident admitted to a Unit under the Flexible Payment Program subsequently either (a) pays the remaining balance due on his/her Full Entrance Fee, or (b) procures a contract for sale of his/her house and executes a promissory note for the remaining balance due on his/her Full Entrance Fee, but only if such promissory note is consistent with the requirements and limitations set forth in Section 8.19 of the Loan Agreement, then in either such event, such Resident shall count toward the minimum move-in/settlement requirement contained in Section 9.1 (q) of the Loan Agreement, unless and until the contract for sale of his/her house should be terminated.

8. Program Default and Remedy. The word "or" at the end of subsection (u) of Section 9.1 of the Loan Agreement is hereby deleted. The period at the end of subsection (v) of Section 9.1 of the Loan Agreement is hereby changed to a semicolon, followed by the word "and." There is hereby added to the Loan Agreement a new subsection (w) of Section 9.1 of the Loan Agreement, to read as follows:

"(w) Any violation of the provisions of subsection (a) of Section 8.26 of this Agreement which is not cured by the Borrower within ten (10) days following written notice thereof given by the Lender to the Borrower, by payment to the Lender by the Borrower of an amount equal to the payment on the Loan which would have been required under the Loan Documents if each Resident who was not permitted to be admitted to Fox Run Village under the Flexible Payment Program had instead paid the Full Entrance Fee for his/her Unit at the time of admission; provided, however, that the

right of the Borrower to cure a Default under this subsection (w) shall be exercisable only twice during the term of the Loan, after which any Default under subsection (a) of Section 8.26 of the Loan Agreement shall, at Lender's option, constitute an immediate Event of Default under this Loan Agreement."

9. Tenant to Honor Obligations to Residents. The Borrower and the Tenant hereby agree that they shall continue to honor their existing obligations, and any obligations hereafter incurred, with respect to any departing Residents who are replaced by Residents admitted under the Flexible Payment Program, without violating any other terms or conditions of the Loan or the Loan Documents, or any requirements of any regulatory authority.

10. Acknowledgement of the Parties. Each of the Parties hereby acknowledges the provisions of this Amendment and hereby reaffirms its obligations in connection with the Loan from and after the date of execution hereof on the terms originally provided in the Loan Documents, as amended by this Amendment.

11. Grants of Liens and Security Interests. Each of the Parties hereby grants, regrants and confirms the grant of all liens and security interest in and to all collateral described in the Loan Documents as collateral for the Loan on the terms set forth in the Loan Documents from and after the date of execution of this Amendment.

12. Fees, Costs and Expenses. The Borrower shall pay to the Lender on demand all costs and expenses both now and hereafter paid or incurred with respect to the preparation, negotiation, execution, administration and enforcement of this Amendment and all documents related thereto, including without limitation, reasonable attorneys' fees and expenses.

13. Representations and Warranties. In order to induce the Lender to enter into this Amendment, the Borrower and the Guarantors jointly and severally represent and warrant to the Lender that as of the date hereof (a) no Event of Default exists under the provisions of any of the Loan Documents, as amended by this Amendment; (b) no event exists which, with the giving of notice of lapse of time or both, could or would constitute an Event of Default under the provisions of any of the Loan Documents, as amended by this Amendment; (c) all of the representations and warranties of the Borrower and the Guarantors in the Loan Documents, as amended by this Amendment, are true and correct on the date hereof as if the same were made on the date hereof; (d) all collateral for the Loan is free and clear of all assignments, security interests, liens and other encumbrances of any kind and nature whatsoever except for those granted or permitted under the provisions of the Loan Documents, as amended by this Amendment; (e) no material adverse change has occurred in the business, financial condition, prospects or operations of the Borrower or the Guarantors since the date of the financial statements most recently furnished to the Lender in accordance with the provisions of the Loan Documents, as amended by this Amendment; and (f) the Loan Documents, as amended by this Amendment, constitute the legal, valid and binding obligations of the Borrower and the Guarantors enforceable in accordance with their respective terms except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

If any of the foregoing representations and warranties shall prove to be false, incorrect or misleading in any material respect, the Lender may, in its absolute and sole discretion, declare that an Event of Default has occurred and exists under the provisions of each of the Loan Documents in which case the Lender shall be entitled to pursue any and all remedies provided in the Loan Documents or otherwise available under applicable laws.

14. No Novation; Amendment and Modification Only. This Amendment is only an agreement amending and modifying certain provisions of the Loan Documents. All of the provisions of the Loan Documents are incorporated herein by reference and shall remain and continue in full force and effect as amended by this Amendment. The Parties hereby ratify and confirm all of their obligations, liabilities and indebtedness under the provisions of the Loan Documents as amended by this Amendment. The Parties agree it is their intention that nothing herein shall be construed to extinguish, release or discharge or constitute, create or effect a novation of, or an agreement to extinguish, any of the obligations, indebtedness and liabilities of any or all of the Parties under the provisions of the Loan Documents, or any assignment or pledge to the Lender of, or any security interest or lien granted to the Lender in or on, any collateral and security for such obligations, indebtedness and liabilities.

15. Applicable Law; Counterparts. This Amendment shall be governed by the laws of the State of Maryland (without regard to principles of conflicts of law), both in interpretation and performance. This Amendment may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts shall be deemed to be an original and all taken together shall constitute one and the same instrument.

16. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

17. No Waiver of Defaults. The execution, delivery and acceptance of this Amendment and the Related Documents do not constitute and shall not be interpreted as a waiver of any Default or Event of Default by the Lender with respect to the Loan Documents. The Lender reserves all of its rights with respect to all such matters.

18. Definitions. From and after the date hereof, the term "**Loan Documents**" as used in each of the Loan Documents, shall include this Amendment and the definition of each Loan Document shall mean that particular Loan Document, as amended by this Amendment.

19. Other Modified Loan Documents. Each of the remaining Loan Documents not otherwise amended pursuant to the terms above, shall be amended to reflect the modifications implemented herein.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have executed this Amendment effective as of the 20th day of June, 2008.

WITNESS:

BORROWER:

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Member

By: _____ (SEAL)
Jeffrey A. Jacobson,
Executive Vice President and
Chief Financial Officer

GUARANTORS:

ERICKSON RETIREMENT COMMUNITIES, LLC

By: _____ (SEAL)
Jeffrey A. Jacobson,
Treasurer

ERICKSON GROUP, LLC

By: _____ (SEAL)
Jeffrey A. Jacobson,
Executive Vice President and
Chief Financial Officer

WITNESS:

CONTRACTOR:

ERICKSON CONSTRUCTION, LLC

By: _____(SEAL)
Jeffrey A. Jacobson,
Treasurer

CREDITORS:

By: _____(SEAL)
John C. Erickson

By: _____(SEAL)
Nancy A. Erickson

SENIOR LIVING LIMITED PARTNERSHIP

By: _____(SEAL)
Paul L. Erickson, Trustee of the Irrevocable Trust of John C. Erickson u/a dated December 31, 1997, Its General Partner

J & N NEVADA HOLDING, INC.

By: _____(SEAL)
John C. Erickson,
President

JCE HOLDING CORP.

By: _____(SEAL)
John C. Erickson,
President

WITNESS:

CONTRACTOR:

ERICKSON CONSTRUCTION, LLC

_____

By: _____(SEAL)
Jeffrey A. Jacobson,
Treasurer

CREDITORS:

_____

By: _____(SEAL)
John C. Erickson

_____

By: _____(SEAL)
Nancy A. Erickson

SENIOR LIVING LIMITED PARTNERSHIP

_____

By: _____(SEAL)
Paul L. Erickson, Trustee of the Irrevocable Trust of John C. Erickson u/a dated December 31, 1997, Its General Partner

J & N NEVADA HOLDING, INC.

_____

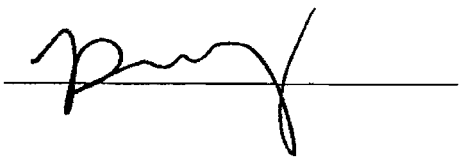
By: _____(SEAL)
John C. Erickson,
President

JCE HOLDING CORP.

_____

By: _____(SEAL)
John C. Erickson,
President

WITNESS:



LENDER:

PNC BANK, NATIONAL ASSOCIATION,
as successor in interest to MERCANTILE-SAFE
DEPOSIT AND TRUST COMPANY

By: _____(SEAL)
D. Seward Woelper,
Vice President

SCHEDULE X

FLEXIBLE PAYMENT PROGRAM ADDENDUM

[see attached]

FLEXIBLE PAYMENT PROGRAM ADDENDUM

Resident(s): _____

Resident(s): _____

Living Unit: _____ Effective Date: _____

This Flexible Payment Program Addendum (the "Addendum") is entered into between Resident(s) listed above and Fox Run Village, Inc. ("Fox Run Village") as of the Effective Date.

Recitals

R.1. Fox Run Village normally requires the payment of a full Entrance Deposit for a living unit as a condition to residency;

R.2. Fox Run Village offers the Flexible Payment Program (the "Program") to qualifying applicants in its sole and absolute discretion. The Program allows qualifying residents to move to the Community, with a minimum payment of ten percent (10%) of the Entrance Deposit for the selected Living Unit and payment of an additional monthly differential of Fifty Dollars ($50.00) per each Ten Thousand Dollars ($10,000.00) of the outstanding balance of the Entrance Deposit.

R.3. Resident is unable to pay the full Entrance Deposit for the indicated Living Unit and would like to take advantage of the Flexible Payment Program and Fox Run Village agrees to offer this program to Resident.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. Fox Run Village agrees to accept Resident as a participant in the Program and Resident agrees to participate in the Program based on the terms and conditions required by this Addendum. For purposes of this Addendum, the term "Resident" includes the plural "Residents."

2. Fox Run Village and Resident agree that, as of the Effective Date, Resident's normal Entrance Deposit and normal Monthly Service Package are the amounts indicated in Schedule I of the Residence and Care Agreement (the "Care Agreement") by and between Fox Run Village and Resident. However, during the term of this Addendum, Fox Run Village agrees to accept Resident with the Flexible Entrance Deposit provided that Resident pays the Monthly Differential listed below.

Flexible Entrance Deposit: $_____
Monthly Differential: $_____ per month

3. The Monthly Differential is due and payable in addition to the Resident's Monthly Service Package for the Living Unit and in addition to any other fees and charges ancillary fees due and payable per the Care Agreement. The Monthly Differential for the month during which a Resident first participates in the Flexible Payment Program shall be payable monthly in advance on a pro-rated basis.

4. Fox Run Village will permit Resident's continued participation in the Program as long as Resident remains in compliance with all of the following conditions. Upon request, Resident will provide Fox Run Village with reasonable documentation evidencing continued compliance with these conditions.

(i) Resident is otherwise is compliance with the terms and conditions of the Care Agreement; Resident's property located at _____ (the "Property") is vacated by Resident and remains completely unoccupied and available for sale;

(ii) The Property is listed for sale with a licensed real estate broker acceptable to Fox Run Village for fair market value of the Property;

(iii) Resident assists the real estate broker, as needed, in marketing and presenting the Property for sale, and accepts any bona fide offers to purchase the Property for the listed purchase price; and

(iv) Resident continues to own the Property and does not transfer any right, title, or interest, including but not limited to any leasehold interest, to any other person.

5. Upon the sale and settlement of the above-listed Property, Resident agrees to promptly pay to Fox Run Village the sum of $_____, representing the outstanding balance between the Flexible Entrance Deposit and the full Entrance Deposit listed on Schedule 1 of the Care Agreement. If Resident pays the balance within five (5) days following the settlement on the Property, Fox Run Village agrees to credit the total Monthly Differentials paid by Resident towards the outstanding balance. If Resident pays the balance after the fifth day from settlement, Fox Run Village will not credit the Resident the Monthly Differentials and Resident will not receive any refund of the Monthly Differentials paid.

6. If Resident fails to pay the balance of the Entrance Deposit within thirty (30) days of settlement on the Property, or if Resident gifts or transfers the Property or any interest therein for less than fair market value, or if Resident otherwise fails to comply with the Program requirements as indicated in this Addendum, Resident acknowledges that Resident shall be in breach of the Care Agreement for failure to pay the full Entrance Deposit for the Living Unit and that Fox Run Village may terminate Resident's residency for cause per Section 12 of the Care Agreement.

7. Resident may, at any time, voluntarily opt out of the Flexible Payment Program prior to settlement on the Property by notifying Fox Run Village in writing. If Resident opts out of the Flexible Payment Program, Resident will be required to pay, within five (5) days of the notice, the outstanding balance between the Flexible Entrance Deposit and the full Entrance Deposit listed on Schedule I of the Care Agreement. If Resident pays the balance within five (5) days following the notice, Fox Run Village agrees to credit the total Monthly Differentials paid by Resident towards the outstanding balance. If Resident pays the balance after the fifth day from the notice, Fox Run Village will not credit the Resident and Resident will not receive any refund of the Monthly Differentials paid. Upon Community's receipt of the full Entrance Deposit, Resident will no longer be required to pay the Monthly Differential.

8. Fox Run Village reserves the right to discontinue the Flexible Payment Program at any time. In the event the Flexible Payment Program is discontinued, Residents who are currently in the program may continue to participate on the terms and conditions contained in this Addendum.

9. If Resident remains a participant in the Program and Resident permanently transfers from the Living Unit to another living unit at the Community with a higher Entrance Deposit than the Entrance Deposit listed on Schedule I of the Care Agreement, Resident agrees that the balance of the Entrance Deposit due and payable to the Community is the sum listed in Section 5 plus the difference between the Entrance Deposit listed on Schedule I of the Care Agreement and the Entrance Deposit in effect for the new Living Unit to which Resident is transferring.

10. If Resident remains a participant in the Program and Resident's Care Agreement terminates for any reason, including but not limited to the election of Resident, for just cause by Fox Run Village, or for the death of Resident, the refund of the Entrance Deposit payable by Fox Run Village per Section 7 of the Care Agreement is limited to the amount of the Flexible Entrance Deposit paid by Resident. Resident shall not receive a credit for or any refund of the Monthly Differentials paid by Resident in the event of termination of the Care Agreement.

11. This Addendum is incorporated into the Resident's Care Agreement. All defined terms, except as specifically defined herein, shall be consistent with the Care Agreement. All other provisions of the Care Agreement remain in full force and effect, except as specifically modified in this Addendum, and any other inconsistency between this Addendum and the Residence and Care Agreement shall be governed by the terms of the Residence and Care Agreement.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Flexible Payment Program Addendum.

Witness	Resident Signature	Date
	Printed Name	
Witness	Resident Signature	Date
	Printed Name	
	Fox Run Village, Inc.	
Witness	By:	Date
	Printed Name	

Bank Of America - CD#13 - Control ID#1133

Execution Version

EXTENSION AND MODIFICATION AGREEMENT

THIS EXTENSION AND MODIFICATION AGREEMENT ("Agreement") is made to be effective as of the 30th day of January, 2009 (the "Effective Date"), by and between PNC BANK, NATIONAL ASSOCIATION, successor to Mercantile-Safe Deposit and Trust Company (the "Lender"); NOVI CAMPUS, LLC (the "Borrower"); and ERICKSON RETIREMENT COMMUNITIES, LLC and ERICKSON GROUP, LLC (collectively, the "Guarantors"). Hereafter, the Borrower and the Guarantors are collectively referred to as the "Obligors" and the Lender and the Obligors are collectively referred to as the "Parties".

RECITALS

The Lender is the holder of a loan facility ("Loan") evidenced inter alia by a Revolving Loan Note ("Note") dated as of February 12, 2002 in the originally stated principal amount of Forty Six Million Dollars ($46,000,000.00), and a Construction Loan Agreement dated as of February 12, 2002 ("Loan Agreement"), as modified by a First Comprehensive Amendment to Loan Documents dated February 12, 2002, a Waiver And Extension Agreement dated July 31, 2002, a Second Comprehensive Amendment to Loan Documents dated August 1, 2005, a Third Comprehensive Amendment to Loan Documents dated July 1, 2006, and a Fourth Comprehensive Amendment to Loan Documents dated June 20, 2008.

The Loan is secured by a Mortgage dated February 12, 2002, a Borrower's And Guarantors' Security Agreement, Pledge And Collateral Assignment of Licenses And Residence And Care Agreements dated February 12, 2002, a Member Interest Pledge Agreement dated February 12, 2002, a Curative Rights Agreement dated February 12, 2002, an Assignment of Rents and Leases dated February 12, 2002, and various other agreements and instruments (collectively, the "Security Documents").

The Guarantors have guaranteed to the Lender the repayment and performance of the Loan in accordance with a Guaranty Agreement dated February 12, 2002 (the "Guaranty"). Hereafter, the Note, the Loan Agreement, the Security Documents, the Guaranty, and all other documents, agreements and writings which evidence or secure the Loan are collectively referred to as the "Loan Documents".

The Loan Documents provide that the Loan matures and is payable in full on February 1, 2009 (the "Maturity Date"). The Obligors have requested that the Lender agree to extend the Maturity Date of the Loan through and including May 1, 2009. The Lender is willing to agree to the request of the Obligors to extend the Maturity Date of the Loan in accordance with the terms of this Agreement, provided that the Obligors agree to the modification and amendment of the Loan Documents in accordance with this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

Section 1. Recitals. The Obligors acknowledge that the Recitals set forth above are true and accurate. Each of the Recitals is incorporated into this Agreement by reference and is made a part hereof.

Section 2. Acknowledgment Of Obligations. The Obligors acknowledge that: (a) each of the Loan Documents is the valid and binding obligation of each Obligor that is a party thereto, and is fully enforceable in accordance with all stated terms; (b) the duties and obligations of each of the Obligors to pay and perform its respective obligations to the Lender in accordance with the terms of the Loan Documents are not subject to any set-offs, defenses or counterclaims; (c) the unpaid principal balance (exclusive of accrued interest, fees, costs and expenses) of the Loan as of the Effective Date is Thirty-Nine Million Seven Hundred Sixteen Thousand Two Hundred Thirty-Seven Dollars ($39,716,237.00); and (d) the aggregate face amount of the issued and outstanding "Letters of Credit", as such term is defined in the Loan Agreement, as of the Effective Date is One Million Seven Hundred Forty Three Thousand Four Hundred Forty-Five Dollars ($1,743,445.00).

Section 3. Amendment and Modification of Loan Agreement. The Loan Agreement is amended and modified as of the Effective Date as follows:

Bank Of America - CD#13 - Control ID#1133

3.1. Definition of Maturity Date. Section 1.63 (Maturity Date) of the Loan Agreement is amended and modified by replacing the existing reference therein of "February 1, 2009" to "May 1, 2009".

3.2. Curtailment of Loan Advances; Reduction of Commitment. Section 2.1 (Loan Advances) of the Loan Agreement is amended and modified by deleting subsections 2.1(a) and 2.1(b) in their entireties and by replacing such deleted subsections with the following subsections 2.1(a) and 2.1(b):

"(a) No Loan Advances or Letter of Credit Issuances; Permanent Reduction in Principal Amount of Loan. The Borrower agrees that it will not request, and acknowledges and agrees that the Lender shall have no duty or obligation to fund or issue (as applicable) any further advances of proceeds of the Loan or any additional Letters of Credit. The Borrower further agrees that each principal repayment made upon the Loan (including repayments received by the Lender by operation of Section 8.19 (Entrance Fees) of this Agreement) shall permanently reduce the principal balance of the Loan and the Lender shall have no obligation to readvance to the Borrower any of such principal repayments. Without limitation to the foregoing, the authorized principal amount of the Loan shall not exceed the sum of Thirty-Nine Million Seven Hundred Sixteen Thousand Two Hundred Thirty-Seven Dollars ($39,716,237.00) minus all principal repayments of the Loan; and the authorized aggregate face amount of issued and outstanding Letters of Credit shall not exceed One Million Seven Hundred Forty Three Thousand Four Hundred Forty-Five Dollars ($1,743,445.00).

(b) [INTENTIONALLY DELETED]"

3.3. Additional Reporting Requirements. Section 8.3 (Financial Statements, Books and Records) of the Loan Agreement is amended and modified by the addition of the following new subsections (j), (k), (l) and (m):

"(j) The Borrower will deliver or cause the Guarantors to deliver to the Lender within three (3) Business Days after receipt by the Borrower or Guarantors (or by their respective Subsidiaries or affiliates), copies of all default notices, notices of reservations of rights, notices of events of default, pleadings or other writings received by the Borrower, either of the Guarantors, or any of their respective Subsidiaries or affiliates pertaining to any defaults, anticipated defaults, covenant violations or other violations arising out of or related to any loans, credit obligations, guarantees, financings, ground leases, bond transactions, mezzanine financings or other debt or credit transactions.

(k) The Borrower will provide or cause the Guarantors to provide to the Lender with access to all quarterly or other periodic reports provided by the Borrower or the Guarantors or any of their Subsidiaries or affiliates to their respective lenders or other creditors, including without limitation all certificates of compliance pertaining to compliance or noncompliance with financial covenants.

(l) The Borrower will deliver or cause the Guarantors to deliver to the Lender on or before April 1, 2009 a report (the "CRG Report") from the Borrower's consultants, CRG Partners Group, LLC ("CRG") that (i) addresses the Borrower's financial and business operations, including the analysis of CRG of the sales, financial, marketing and operational performance of the Fox Run Village Retirement Community (the "Community"); and (ii) sets forth CRG's analysis of funding needs on a project-by-project basis of each of the projects of the Subsidiaries of the Guarantors.

(m) Contemporaneously with the delivery of the CRG Report, the Borrower shall deliver to the Lender a proposed strategic plan for the Community addressing the Borrower's ability to achieve "break-even" cash flow, and the ability of the Borrower subsequently to service fully its indebtedness and repay the Loan."

Section 4. Amendment And Modification of Note. The Note is amended and modified as of the Effective Date as follows:

4.1. Maturity Date. The reference in the first unnumbered paragraph of the Note to "February 1, 2009 (the "Maturity Date")" is replaced with "May 1, 2009 (the "Maturity Date")".

4.2. Interest Rate. The reference in paragraph 2 (Interest Rate) of the Note to "one quarter of one percent (1/4%)" is replaced with "two and one quarter percent (2.25%)".

Section 5. Borrower Collateral Account. The Obligors agree that notwithstanding anything to the contrary in Section 8.19 (Entrance Fees) of the Loan Agreement and without regard to the existence of any continuing Default or Event of Default, the Lender may elect at any time to require the application to the repayment of the Loan of all or any portion of the funds contained in the "Borrower Collateral Account", as such term is defined in the Loan Agreement, in such order of application as determined by the Lender.

Section 6. Agreement to Reimburse Lender for Costs of Consultant. The Obligors consent to the engagement by the Lender (whether directly or through the Lender's counsel) for the sole benefit of the Lender (and the Participants of the Lender holding an interest in the Loan (collectively, the "Novi Participants")) of a consulting firm ("Consultant") to review the financial, marketing and operating conditions and procedures of the Borrower and to advise the Lender with respect thereto. The Obligors agree to cooperate with the Consultant and to provide the Consultant with such information and access to the Obligors and to their respective books and records and facilities as may be reasonably requested from time to time by the Consultant in order to enable the Consultant to deliver its analysis promptly to the Lender. The Obligors agree to reimburse the Lender upon the demand of the Lender for all fees, costs and expenses of the Consultant that are incurred by the Lender. The Obligors acknowledge that the Consultant is acting for the sole benefit of the Lender (and the Novi Participants) and that the Lender shall have no obligation to share the Consultant's report with the Obligors, or to otherwise disclose to the Obligors any opinions, recommendations, or analysis of the Consultant.

Section 7. Extension Fee. In consideration of the agreement of the Lender to grant the requested extension of the Maturity Date and to agree to the requested modifications to the Loan Documents, the Borrower agrees to pay to the Lender for distribution to the Lender and to the Novi Participants on a pro rata basis on or before the Effective Date a non-refundable extension fee ("Extension Fee") in the amount of One Hundred Three Thousand Six Hundred Forty-Nine Dollars and Twenty Cents ($103,649.20). The Extension Fee shall be deemed to have been fully earned by the Lender and the Novi Participants upon the execution and delivery of this Agreement by the Lender and the Novi Participants. The Extension Fee shall not be construed as a payment by the Obligors of any of the reimbursable expenses or other sums due to the Lender in accordance with the terms of this Agreement or the Loan Documents.

Section 8. Access to Borrower's Consultants. The Obligors shall authorize and instruct the non-attorney consultants of the Obligors (including, without limitation, CRG Partners Group, LLC) to discuss with the Lender such information, opinions and reports of such consultants concerning the Obligors and their subsidiaries and affiliates and their respective assets, business and financial affairs as requested by the Lender from time to time.

Section 9. Reimbursement Of Expenses. The Obligors agree to reimburse to the Lender on or before the Effective Date for all reasonable fees, costs and expenses incurred by the Lender in connection with the negotiation and preparation of this Agreement and all due diligence conducted by the Lender with respect to the Loan and the security therefor, and all other fees, costs and expenses incurred by the Lender in connection with the consummation of the transactions and matters described herein and the administration of the Loan, including without limitation all reasonable attorneys' fees, appraisal fees, consulting fees and other expenses incurred by the Lender.

Section 10. Security. The obligations of the Obligors to pay and perform their respective obligations under the Loan Documents to the Lender shall continue to be secured by the liens, assignments, pledges and security interests described and provided for in the Loan Documents, all of which are hereby ratified and confirmed by the Obligors.

Section 11. Representations and Warranties. Each of the Obligors represents and warrants the following to the Lender and to each Novi Participant that as of the Effective Date:

11.1. No Defaults or Events of Default. There are no continuing "Defaults" or "Events of Default", as such terms are defined in the Loan Agreement.

11.2. Prior Representations And Warranties. Each representation and warranty made by the Obligors in the Loan Documents remains true, accurate and complete as of the Effective Date, except to the limited extent that any such representation or warranty is limited to a referenced date.

11.3. Accuracy of Information. All information and data submitted by or on behalf of the Obligors in connection with this Agreement and the transactions contemplated herein, is true, accurate and complete in all material respects as of the date made and contains no knowingly false, incomplete or misleading statements.

11.4. Authorization. The making and performance of this Agreement by the Obligors will not: (i) violate the Obligors' respective organizational documents; (ii) violate any laws or result in a default under any contract, agreement, or instrument to which any of the Obligors is a party or by which any of the Obligors or any of their respective properties are bound; or (iii) result in the creation or imposition of any security interest in, or lien or encumbrance upon, the assets of any of the Obligors except in favor of the Lender.

11.5. Organization. The Borrower is a Maryland limited liability company duly organized, validly existing, and in good standing under the laws of the State of Maryland, and is qualified to do business in each jurisdiction in which the nature of its business or its assets require qualification.

11.6. Taxes. The Obligors are current in their respective tax payment obligations to all applicable taxing authorities, except to the extent that any such obligations are being contested in good faith.

11.7. Judgments. There are no outstanding judgments or tax liens against any of the Obligors or their respective assets other than inchoate liens for taxes, assessments or similar charges that are not yet due and payable.

11.8. Pending Litigation. Except as set forth on Schedule 11.8 attached hereto, there are no actions, suits, investigations or proceedings pending or, to the knowledge of the Obligors, threatened against any of the Obligors, or against any of the collateral securing the Loan that: (a) the adverse determination of which would be likely to have a material adverse effect upon any of the Obligors, or (b) are uninsured claims for monetary amounts in excess of One Hundred Thousand Dollars ($100,000.00) each.

11.9. Existing Liens. The Lender holds duly perfected liens and security interests in and to the assets of the Obligors as required by the terms and conditions of the Loan Documents with such lien priorities as required by the Loan Documents, which liens and security interests shall survive intact the transactions contemplated by this Agreement in the same lien priority existing immediately prior to the Effective Date.

Section 12. No Other Modifications Of Loan Documents. The Obligors acknowledge that except as expressly provided for herein, the Parties have not agreed to any other amendments or modifications of the Loan Documents. In the event of any conflict between the stated terms of the Loan Documents and the terms of this Agreement, the terms of this Agreement shall control.

Section 13. No Novation; No Refinance. It is the intention of the Parties that nothing contained in this Agreement shall be deemed to accomplish or constitute a novation of any of the obligations or duties owed by any of the Obligors to the Lender or of any of the Loan Documents or to be a refinance of the Loan.

Section 14. Subordination. The Obligors agree that any current or future loans or other obligations owed by the Borrower to the Guarantors are hereby subordinated in right of payment and enforcement to the repayment in full and enforcement of all obligations owed by the Borrower to the Lender.

Section 15. Further Assurances. Each of the Obligors agrees to execute and deliver to the Lender such other documents as may, from time to time, be reasonably requested by the Lender in order to execute upon or enforce the terms and conditions of this Agreement or of any of the Loan Documents.

Section 16. Enforceability. This Agreement shall inure to the benefit of and be enforceable against each of the Parties and their respective successors and assigns.

Section 17. Agreement to Provide Tenant Estoppel. The Obligors agree to provide to the Lender on or before February 20, 2009 with an estoppel from the Tenant pursuant to which the Tenant acknowledges: (a) the continued enforceability against the Tenant of all written agreements made by the Tenant with the Borrower in accordance with all stated terms; and (b) that the Tenant has no knowledge of any continuing defaults or events of default under any such agreements by any of the Parties to such agreements. The failure to provide the estoppel on or before February 20, 2009 shall constitute an "Event of Default", as such term is defined in the Loan Agreement.

Section 18. Choice Of Law; Consent To Jurisdiction; Agreement As To Venue. This Agreement shall be construed, performed and enforced and its validity and enforceability determined in accordance with the laws of the State of Maryland (excluding conflict of laws principles). Each of the Obligors consents to the jurisdiction of the courts of the State of Maryland and the jurisdiction of the United States District Court for the District of Maryland if a basis for federal jurisdiction exists. Each of the Obligors waives any right to object to the maintenance of a suit by the Lender in any of the state or federal courts located anywhere in the State of Maryland on the basis of improper venue or inconvenience of forum.

Section 19. Amendment. This Agreement may be amended only by a writing executed by all of the Parties.

Section 20. Time. Time is of the essence to this Agreement.

Section 21. Waivers; Course of Conduct. No failure or delay by the Lender in the exercise or enforcement of any of its rights under any Loan Document shall be a waiver of such right or remedy nor shall a single or partial exercise or enforcement thereof preclude any other or further exercise or enforcement thereof or the exercise or enforcement of any other right or remedy. The Lender may at any time or from time to time waive the compliance by the Obligors with any of the provisions of the Loan Documents or all or any rights under this Agreement or the other Loan Documents, but any such waiver must be specific and in writing to be binding upon the Lender and no such waiver shall constitute, unless specifically so expressed by the Lender in writing, a future waiver of performance or exact performance by the Obligors. No notice to or demand upon any Obligor in any instance shall entitle any Obligor to any other or further notice or demand in the same, similar or other circumstance.

Section 22. Obligations Unconditional. The obligations of the Obligors set forth in this Agreement and as required by the terms of the Loan Documents are absolute and unconditional, and are independent of any defense or rights of set-off, recoupment or counterclaim which any of the Obligors might have or ever had against the Lender. Each of the Obligors agrees that all payments required hereunder and/or by the Loan Documents shall be made free of any deductions and without abatement, diminution or set-off.

Section 23. **RELEASE. IN ORDER TO INDUCE THE LENDER TO ENTER INTO THIS AGREEMENT, EACH OF THE OBLIGORS FOREVER RELEASES AND DISCHARGES THE LENDER AND EACH NOVI PARTICIPANT THAT HOLDS ANY INTEREST IN THE LOAN AND THE RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS, AND AGENTS OF THE LENDER AND OF EACH NOVI PARTICIPANT (COLLECTIVELY, THE "RELEASED PARTIES") FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, SUITS AND DAMAGES (INCLUDING CLAIMS FOR ATTORNEYS' FEES AND COSTS) WHICH IT, JOINTLY OR SEVERALLY, EVER HAD OR MAY NOW HAVE AGAINST ANY OF THE RELEASED PARTIES FOR ANY MATTER, INCLUDING WITHOUT LIMITATION ANY CLAIMS ARISING OUT OF OR RELATED IN ANY WAY TO THE LOAN, THE LOAN DOCUMENTS, THE COLLATERAL FOR THE LOAN, THIS AGREEMENT OR THE ADMINISTRATION THEREOF, WHETHER KNOWN OR UNKNOWN, INCLUDING BUT NOT LIMITED TO ANY AND ALL CLAIMS**

BASED UPON OR RELYING ON ANY ALLEGATIONS OR ASSERTIONS OF DURESS, ILLEGALITY, UNCONSCIONABILITY, BAD FAITH, BREACH OF CONTRACT, REGULATORY VIOLATIONS, NEGLIGENCE, MISCONDUCT, OR ANY OTHER TORT, CONTRACT OR REGULATORY CLAIM OF ANY KIND OR NATURE. THIS RELEASE IS INTENDED TO BE FINAL AND IRREVOCABLE AND IS NOT SUBJECT TO THE SATISFACTION OF ANY CONDITIONS OF ANY KIND.

Section 24. Waiver Of Jury Trial. Each of the Parties agrees that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by it or by any of its successors or assigns, on or with respect to this Agreement, the Loan (or the administration thereof), or any of the other Loan Documents, or which in any way relates, directly or indirectly, to its obligations to any other PARTY, shall be tried by a court and not by a jury. **EACH OF THE PARTIES TO THIS AGREEMENT EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING.**

Section 25. Execution in Counterparts; Delivery. This Agreement may be executed and delivered by the Parties in counterparts. Executed counterparts of this Agreement may be delivered electronically.

[Signatures Begin on Next Page]

Signature Page to Extension And Modification Agreement

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement with the specific intention of creating an instrument under seal to be effective as of the above stated Effective Date.

WITNESS:

WITNESS:

Borrower:

NOVI CAMPUS, LLC,
a Maryland limited liability company

By: Erickson Retirement Communities, LLC
Member

By: _____(SEAL)
Name: Jeffrey A. Jacobson
Title: Executive Vice President

Guarantors:

ERICKSON RETIREMENT COMMUNITIES, LLC,
a Maryland limited liability company

By: _____(SEAL)
Name: Jeffrey A. Jacobson
Title: Executive Vice President

ERICKSON GROUP, LLC,
a Maryland limited liability company

By: _____(SEAL)
Name: Jeffrey A. Jacobson
Title: Treasurer

[Signatures Continued on Next Page]

Signature Page to Extension And Modification Agreement

Lender:

PNC BANK, NATIONAL ASSOCIATION

By: _____ (SEAL)
Name: D. Scott Woolpert
Title: Vice President

[Signatures Continued on Next Page]

Signature Page to Extension And Modification Agreement

Consent of Novi Participant

The undersigned Novi Participant consents to the terms and conditions of the above-stated Extension And Modification Agreement and to the execution and delivery of such Extension And Modification Agreement by the Lender.

WITNESS:

BANK OF AMERICA, N.A.,
Successor to LaSalle Bank, National Association

By: _____ (SEAL)
Name: CLARA GREEST
Title: VICE PRESIDENT

[Signatures Continued on Next Page]

Bank Of America - CD#13 - Control ID#1133

Signature Page to Extension And Modification Agreement

Consent of Novi Participant

The undersigned Novi Participant consents to the terms and conditions of the above-stated Extension And Modification Agreement and to the execution and delivery of such Extension And Modification Agreement by the Lender.

THE COLUMBIA BANK

By: _____ (SEAL)
Name:
Title:

[Signatures Continued on Next Page]

Bank Of America - CD#13 - Control ID#1133

Signature Page to Extension And Modification Agreement

Consent of Novi Participant

The undersigned Novi Participant consents to the terms and conditions of the above-stated Extension And Modification Agreement and to the execution and delivery of such Extension And Modification Agreement by the Lender.

CHESAPEAKE BANK OF MARYLAND

By: _____ (SEAL)
Name: Thomas J. Ahearn
Title: SVP/CLO

[Signatures Continued on Next Page]

Signature Page to Extension And Modification Agreement

Consent of Novi Participant

The undersigned Novi Participant consents to the terms and conditions of the above-stated Extension And Modification Agreement and to the execution and delivery of such Extension And Modification Agreement by the Lender.

KEYBANK NATIONAL ASSOCIATION, Successor to Key Corporate Capital Inc.

Amy L. MacLearie
Witness

By: _____ (SEAL)
Name: Charles W. Cashin III
Title: Assistant Vice President

SCHEDULE 11.8 – PENDING LITIGATION

As of January 21, 2009, there is no pending litigation against Erickson Retirement Communities, LLC or Novi Campus, LLC for an un-insured claim which is reserved for $100,000 or more.

Erickson is party to the cases listed below which meet the following criteria: (i) an insured claim; (ii) covered by an insurance policy with an insured retention of more than $100,000.00; and (iii) has a reserve over $50,000.00:

1. Robert Lee Butt, et. al., v. Erickson Retirement Communities, LLC, et. al., Case No.: 03-C-05-009447, is currently pending in the Circuit Court of Baltimore County, Maryland. The plaintiff alleges that he has suffered carbon monoxide poisoning during work he performed as a contractor at the Oak Crest Village, an Erickson managed facility in Parkville, Maryland. The plaintiff claimed permanent brain damage and loss of memory, consortium, etc. However, plaintiff was back at work the next day after the incident and it is anticipated that his medical damages are limited.

Erickson Retirement brought additional parties into the case including the architect, engineer, and HVAC contractor. The parties have largely concluded the discovery phase and have engaged in mediation discussions. Trial is set for October 2009.

2. Linda Boeye v. Erickson Retirement Communities, Case No. BER-L-5749-06, is currently pending in the Superior Court of New Jersey for Bergen County. The plaintiff was a visitor to Cedar Crest Village, an Erickson-managed community located in Pompton Plains. Plaintiff alleges that she fell within the community elevator when the elevator jolted during testing performed by community personnel. Plaintiff's attorney has mistakenly named Erickson Retirement as the primary defendant, rather than Cedar Crest Village. Defense counsel is awaiting a revised demand from plaintiff's counsel after plaintiff's latest surgery.

3. Victor Tavares v. Mega Construction, et al., Case No. March Term 2008, No. 6194, is pending in the Court of Common Pleas of Philadelphia County. Erickson Retirement Communities is one of several named defendants. Plaintiff was the employee of a sub-contractor performing work at the Maris Grove community, an Erickson-managed community in Concordville, Pennsylvania. Plaintiff claims he fell through an opening on the 2nd floor in a building under construction although the fall was not witnessed. The case is currently in the discovery phase.

Bank Of America - CD#13 - Control ID#1133

Execution Version

SECOND EXTENSION AND MODIFICATION AGREEMENT
(NOVI Campus, LLC)

THIS SECOND EXTENSION AND MODIFICATION AGREEMENT ("Agreement") is made to be effective as of the 30th day of April, 2009 (the "Effective Date"), by and between PNC BANK, NATIONAL ASSOCIATION, successor to Mercantile-Safe Deposit and Trust Company (the "Lender"); NOVI CAMPUS, LLC (the "Borrower"); and ERICKSON RETIREMENT COMMUNITIES, LLC ("ERC") and ERICKSON GROUP, LLC (collectively, the "Guarantors"). Hereafter, the Borrower and the Guarantors are collectively referred to as the "Obligors" and the Lender and the Obligors are collectively referred to as the "Parties".

RECITALS

The Lender is the holder of a loan facility ("Loan") evidenced inter alia by a Revolving Loan Note ("Note") dated as of February 12, 2002 in the originally stated principal amount of Forty Six Million Dollars ($46,000,000.00), and a Construction Loan Agreement dated as of February 12, 2002 ("Loan Agreement"), as modified by a First Comprehensive Amendment to Loan Documents dated February 12, 2002, a Waiver And Extension Agreement dated July 31, 2002, a Second Comprehensive Amendment to Loan Documents dated August 1, 2005, a Third Comprehensive Amendment to Loan Documents dated July 1, 2006, a Fourth Comprehensive Amendment to Loan Documents dated June 20, 2008; and an Extension And Modification Agreement dated to be effective as of January 30, 2009 (the "First Extension"). All terms defined in the Loan Agreement and in the First Extension shall have the same meanings in this Agreement.

The Loan Documents, as modified by the First Extension, presently provide that the Loan matures and is payable in full on May 1, 2009 (the "Maturity Date"). The Obligors have requested that the Lender agree to extend the Maturity Date of the Loan through and including May 29, 2009.

The Obligors have acknowledged that: (a) the Obligors will not deliver to the Lender an audited balance sheet and financial statements within one hundred twenty (120) days after the close of their fiscal year ending December 31, 2008 as required by the terms of Section 8.3(c) of the Loan Agreement; (b) ERC is not in compliance with the liquidity covenant set forth in the Trust Indenture to which it is a party for the $50,000,000 Subordinated Taxable Adjustable Mezzanine Put Securities ("STAMPS") Series 2007 which non-compliance causes a violation of Sections 8.18 and 9.1(j) of the Loan Agreement; and (c) the Obligors did not comply with their covenants in Section 3.3(m) of the First Extension. Hereafter, the violations of Sections 8.3(c), 8.18 and 9.1(j) of the Loan Agreement and of Section 3.3(m) of the First Extension are collectively referred to herein as the "Existing Violations". The Obligors have requested that the Lender not exercise, through and including May 29, 2009, its enforcement rights and remedies arising as a result of the Existing Violations.

The Lender is willing to agree to the request of the Obligors for the Lender not to enforce, through and including May 29, 2009, its enforcement rights with respect to the Existing Violations and to extend the Maturity Date of the Loan through and including May 29, 2009 in accordance with the terms of this Agreement, provided that the Obligors agree to the modification and amendment of the Loan Documents in accordance with this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

Section 1. Recitals. The Obligors acknowledge that the Recitals set forth above are true and accurate. Each of the Recitals is incorporated into this Agreement by reference and is made a part hereof.

Section 2. Acknowledgment Of Obligations. The Obligors acknowledge that: (a) each of the Loan Documents is the valid and binding obligation of each Obligor that is a party thereto, and is fully enforceable in accordance with all stated terms; (b) the duties and obligations of each of the Obligors to pay and perform its respective obligations to the Lender in accordance with the terms of the Loan Documents are not subject to any set-offs, defenses or counterclaims; (c) the unpaid principal balance (exclusive of accrued interest, fees, costs and expenses) of the Loan as of the Effective Date is Thirty-Six Million Seven Hundred Sixty-Four Thousand Thirteen Dollars and Ninety-Nine Cents

($36,764,013.99); and (d) the aggregate face amount of the issued and outstanding "Letters of Credit", as such term is defined in the Loan Agreement, as of the Effective Date is One Million Seven Hundred Forty Three Thousand Four Hundred Forty Five Dollars ($1,743,445.00).

Section 3. Amendment and Modification of Loan Agreement. The Loan Agreement is amended and modified as of the Effective Date as follows:

Section 3.1. Definition of Maturity Date. Section 1.63 (Maturity Date) of the Loan Agreement is amended and modified by replacing the existing reference therein of "May 1, 2009" to "May 29, 2009".

Section 3.2. Curtailment of Loan Advances; Reduction of Commitment. Section 2.1(a) (Loan Advances) of the Loan Agreement is amended and modified by deleting subsection 2.1(a) in its entirety and by replacing such deleted subsection with the following subsections 2.1(a):

> "(a) No Loan Advances or Letter of Credit Issuances; Permanent Reduction in Principal Amount of Loan. The Borrower agrees that it will not request, and acknowledges and agrees that the Lender shall have no duty or obligation to fund any further advances of proceeds of the Loan or issue any new Letters of Credit. The Borrower further agrees that each principal repayment made upon the Loan (including repayments received by the Lender by operation of Section 8.19 (Entrance Fees) of this Agreement) shall permanently reduce the principal balance of the Loan and the Lender shall have no obligation to readvance to the Borrower any of such principal repayments. Without limitation to the foregoing and for the avoidance of doubt, the Borrower agrees that all Initial Entrance Fees shall be deposited in the Borrower Collateral Account and then immediately applied as a permanent principal reduction of the Loan.

Section 4. Amendment And Modification of Note. The Note is amended and modified as of the Effective Date by replacing the present reference in the first unnumbered paragraph of the Note of "May 1, 2009 (the "Maturity Date")" with "May 29, 2009 (the "Maturity Date")".

Section 5. Interest Payment. The Borrower shall make an interest payment to the Lender on or before the Effective Date in the amount of One Hundred Seventy Thousand One Hundred Fifty-Nine Dollars and Ten Cents ($170,159.10) which is the amount of interest due and payable upon the Note on May 1, 2009.

Section 6. No Distributions. The Borrower further agrees that it will not pay and the Guarantors agree that they will not accept, any payments or distributions from the Borrower to either of the Guarantors nor permit any such payments to any Subsidiaries or affiliates of the Guarantors without regard as to whether any of such distributions would otherwise be authorized by the terms of Section 8.10 of the Loan Agreement. Without limitation to the foregoing and for the avoidance of doubt, the Borrower agrees that it will not pay, and the Guarantors agree to not accept and not to permit any Subsidiaries or affiliates of the Guarantors to accept, any Development Distributions.

Section 7. Limited Standstill of Enforcement Rights. In reliance upon the representations, warranties and covenants of the Obligors contained in this Agreement, the Lender agrees not to exercise, through and including May 29, 2009, any rights or remedies which arise on account of the Existing Violations. The Obligors acknowledge and agree that: (a) the execution and delivery of this Agreement by the Lender has not established and is not intended to establish any course of dealing among the Parties or create any obligation or agreement of the Lender with respect to any future restructuring, modification, amendment, waiver or forbearance with respect to the Loan or any of the Loan Documents; and (b) the Lender has not agreed to waive any rights to exercise after May 29, 2009 any remedies or rights arising from the Existing Violations. Without limitation to the foregoing, the Lender reserves all rights to exercise immediately all remedies to which the Lender may be entitled in accordance with the terms of the Loan Agreement or any other Loan Documents or as otherwise provided by applicable laws which arise as a result of the occurrence of any Events of Default or violations by the Obligors of their covenants and agreements set forth in the Loan Agreement (other than the Existing Violations) or in any other Loan Documents.

Section 8. Consultants' Report. In addition to the reporting obligations required by the terms of the Loan Agreement, the First Waiver and the other Loan Documents, all of which shall remain in full force and effect, the Obligors agree to provide to the Agent and to each of the Lenders on or before May 15, 2009 a report from the Obligors' consultants ("Consultants") that: (a) sets forth a strategic plan for the Obligors and their Subsidiaries for the continued ownership and operation of their assets; (b) sets forth the Consultants' analysis of the funding needs on a project-by-project basis of each of the projects of the Subsidiaries of the Guarantor; (c) the Consultants' assessment to date of the Borrower's business operations and financial conditions and prospects; and (d) the Consultants' approach to and timetable for a comprehensive proposal with respect to the Borrower.

Section 9. Control Agreements. As soon as possible and, in any event, not later than ten (10) days following the Effective Date, the Borrower shall have delivered to the Agent, executed control agreements or other similar agreements, in form and substance satisfactory to the Agent with respect to each account of the Borrower. The Borrower further agrees to exercise its best efforts to obtain control agreements from Fox Run Village, Inc. (the "Tenant") with respect to the accounts of the Tenant, and shall deliver to the Agent, in the form and substance satisfactory to the Agent, an Assignment Agreement with respect to such accounts assigning the Borrower's interest in such accounts to the Agent for the benefit of the Lenders.

Section 10. Reimbursement Of Expenses. The Obligors agree to reimburse the Lender on or before the Effective Date for all reasonable fees, costs and expenses incurred by the Lender in connection with the negotiation and preparation of this Agreement and all due diligence conducted by the Lender with respect to the Loan and the security therefor, and all other fees, costs and expenses incurred by the Lender in connection with the consummation of the transactions and matters described herein and the administration of the Loan, including without limitation all reasonable attorneys' fees, appraisal fees, consulting fees and other expenses incurred by the Lender.

Section 11. Security. The obligations of the Obligors to pay and perform their respective obligations under the Loan Documents to the Lender shall continue to be secured by the liens, assignments, pledges and security interests described and provided for in the Loan Documents, all of which are hereby ratified and confirmed by the Obligors.

Section 12. Representations and Warranties. Each of the Obligors represents and warrants the following to the Lender and to each participant with the Lender in the Loan that as of the Effective Date:

Section 12.1. No Defaults or Events of Default. There are no continuing Events of Default.

Section 12.2. Prior Representations And Warranties. Each representation and warranty made by the Obligors in the Loan Documents remains true, accurate and complete as of the Effective Date, except to the extent that any such representation or warranty is limited to a referenced date.

Section 12.3. Accuracy of Information. All information and data submitted by or on behalf of the Obligors in connection with this Agreement and the transactions contemplated herein, is true, accurate and complete in all material respects as of the date made and contains no knowingly false, incomplete or misleading statements.

Section 12.4. Authorization. The making and performance of this Agreement by the Obligors will not: (i) violate the Obligors' respective organizational documents; (ii) violate any laws or result in a default under any contract, agreement, or instrument to which any of the Obligors is a party or by which any of the Obligors or any of their respective properties are bound; or (iii) result in the creation or imposition of any security interest in, or lien or encumbrance upon, the assets of any of the Obligors except in favor of the Lender.

Section 12.5. Organization. The Borrower is a Maryland limited liability company duly organized, validly existing, and in good standing under the laws of the State of Maryland, and is qualified to do business in each jurisdiction in which the nature of its business or its assets require qualification.

Section 12.6. Taxes. The Obligors are current in their respective tax payment obligations to all applicable taxing authorities, except to the extent that any such obligations are being contested in good faith.

Section 12.7. Judgments. There are no outstanding judgments or tax liens against any of the Obligors or their respective assets other than inchoate liens for taxes, assessments or similar charges that are not yet due and payable.

Section 12.8. Pending Litigation. Except as set forth on Schedule 12.8 attached hereto, there are no actions, suits, investigations or proceedings pending or, to the knowledge of the Obligors, threatened against any of the Obligors, or against any of the collateral securing the Loan.

Section 12.9. Existing Liens. The Lender holds duly perfected liens and security interests in and to the assets of the Obligors as required by the terms and conditions of the Loan Documents with such lien priorities as required by the Loan Documents, which liens and security interests shall survive intact the transactions contemplated by this Agreement in the same lien priority existing immediately prior to the Effective Date.

Section 13. Agreement to Provide Tenant Estoppel. The Obligors shall provide to the Lender within fifteen (15) days after the Effective Date an estoppel from the Tenant pursuant to which the Tenant acknowledges: (a) the continued enforceability against the Tenant of all written agreements made by the Tenant with the Borrower in accordance with all stated terms; and (b) that the Tenant has no knowledge of any continuing defaults or events of default under any such agreements by any of the Parties to such agreements.

Section 14. No Other Modifications Of Loan Documents. The Obligors acknowledge that except as expressly provided for herein, the Parties have not agreed to any other amendments or modifications of the Loan Documents. In the event of any conflict between the stated terms of the Loan Documents and the terms of this Agreement, the terms of this Agreement shall control.

Section 15. No Novation; No Refinance. It is the intention of the Parties that nothing contained in this Agreement shall be deemed to accomplish or constitute a novation of any of the obligations or duties owed by any of the Obligors to the Lender or of any of the Loan Documents or to be a refinance of the Loan.

Section 16. Subordination. The Obligors agree that any current or future loans or other obligations owed by the Borrower to the Guarantors are hereby subordinated in right of payment and enforcement to the repayment in full and enforcement of all obligations owed by the Borrower to the Lender.

Section 17. Further Assurances. Each of the Obligors agrees to execute and deliver to the Lender such other documents as may, from time to time, be reasonably requested by the Lender in order to execute upon or enforce the terms and conditions of this Agreement or of any of the Loan Documents.

Section 18. Enforceability. This Agreement shall inure to the benefit of and be enforceable against each of the Parties and their respective successors and assigns.

Section 19. Choice Of Law; Consent To Jurisdiction; Agreement As To Venue. This Agreement shall be construed, performed and enforced and its validity and enforceability determined in accordance with the laws of the State of Maryland (excluding conflict of laws principles). Each of the Obligors consents to the jurisdiction of the courts of the State of Maryland and, if a basis for federal jurisdiction exists, to the jurisdiction of the United States District Court for the District of Maryland. Each of the Obligors waives any right to object to the maintenance of a suit by the Lender in any of the state or federal courts located anywhere in the State of Maryland on the basis of improper venue or inconvenience of forum.

Section 20. Amendment. This Agreement may be amended only by a writing executed by all of the Parties.

Section 21. Time. Time is of the essence to this Agreement.

Section 22. Waivers; Course of Conduct. No failure or delay by the Lender in the exercise or enforcement of any of its rights under any Loan Document shall be a waiver of such right or remedy nor shall a single or partial

exercise or enforcement thereof preclude any other or further exercise or enforcement thereof or the exercise or enforcement of any other right or remedy. The Lender may at any time or from time to time waive the compliance by the Obligors with any of the provisions of the Loan Agreement, this Agreement or any of the other Loan Documents, but any such waiver must be specific and in writing to be binding upon the Lender and no such waiver shall constitute, unless specifically so expressed by the Lender in writing, a future waiver of performance or exact performance by the Obligors. No notice to or demand upon any Obligor in any instance shall entitle any Obligor to any other or further notice or demand in the same, similar or other circumstance.

Section 23. Obligations Unconditional. The obligations of the Obligors set forth in this Agreement and as required by the terms of the Loan Documents are absolute and unconditional, and are independent of any defense or rights of set-off, recoupment or counterclaim which any of the Obligors might have or ever had against the Lender. Each of the Obligors agrees that all payments required hereunder and/or by the Loan Documents shall be made free of any deductions and without abatement, diminution or set-off.

Section 24. **RELEASE. IN ORDER TO INDUCE THE LENDER TO ENTER INTO THIS AGREEMENT, EACH OF THE OBLIGORS FOREVER RELEASES AND DISCHARGES THE LENDER AND EACH PARTICIPANT WITH THE LENDER IN THE LOAN THAT HOLDS ANY INTEREST IN THE LOAN AND THE RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS, AND AGENTS OF THE LENDER AND OF EACH PARTICIPANT WITH THE LENDER IN THE LOAN (COLLECTIVELY, THE "RELEASED PARTIES") FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, SUITS AND DAMAGES (INCLUDING CLAIMS FOR ATTORNEYS' FEES AND COSTS) WHICH IT, JOINTLY OR SEVERALLY, EVER HAD OR MAY NOW HAVE AGAINST ANY OF THE RELEASED PARTIES FOR ANY MATTER, INCLUDING WITHOUT LIMITATION ANY CLAIMS ARISING OUT OF OR RELATED IN ANY WAY TO THE LOAN, THE LOAN DOCUMENTS, THE COLLATERAL FOR THE LOAN, THIS AGREEMENT OR THE ADMINISTRATION THEREOF, WHETHER KNOWN OR UNKNOWN, INCLUDING BUT NOT LIMITED TO ANY AND ALL CLAIMS BASED UPON OR RELYING ON ANY ALLEGATIONS OR ASSERTIONS OF DURESS, ILLEGALITY, UNCONSCIONABILITY, BAD FAITH, BREACH OF CONTRACT, REGULATORY VIOLATIONS, NEGLIGENCE, MISCONDUCT, OR ANY OTHER TORT, CONTRACT OR REGULATORY CLAIM OF ANY KIND OR NATURE. THIS RELEASE IS INTENDED TO BE FINAL AND IRREVOCABLE AND IS NOT SUBJECT TO THE SATISFACTION OF ANY CONDITIONS OF ANY KIND.**

Section 25. Waiver Of Jury Trial. Each of the Parties agrees that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by it or by any of its successors or assigns, on or with respect to this Agreement, the Loan (or the administration thereof), or any of the other Loan Documents, or which in any way relates, directly or indirectly, to its obligations to any other PARTY, shall be tried by a court and not by a jury. **EACH OF THE PARTIES TO THIS AGREEMENT EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING.**

Section 26. Execution in Counterparts; Delivery. This Agreement may be executed and delivered by the Parties in counterparts. Executed counterparts of this Agreement may be delivered electronically.

[Signatures Begin on Next Page]

Signature Page to Second Extension And Modification Agreement

IN WITNESS WHEREOF, the undersigned Parties have executed this Agreement to be effective as of the above stated Effective Date.

Borrower:

NOVI CAMPUS, LLC,
a Maryland limited liability company

By: Erickson Retirement Communities, LLC
Member

By: _____
Name: Jeffrey A. Jacobson
Title: Executive Vice President

Guarantors:

ERICKSON RETIREMENT COMMUNITIES, LLC,
a Maryland limited liability company

By: _____
Name: Jeffrey A. Jacobson
Title: Executive Vice President

ERICKSON GROUP, LLC,
a Maryland limited liability company

By: _____
Name: Jeffrey A. Jacobson
Title: Treasurer

[Signatures Continued on Next Page]

Signature Page to Second Extension And Modification Agreement

IN WITNESS WHEREOF, the undersigned has executed this Agreement to be effective as of the above stated Effective Date.

Lender:

PNC BANK, NATIONAL ASSOCIATION

By: Wendy Anders
Name: Wendy M Anders
Title: V. Co President

[Signatures Continued on Next Page]

Signature Page to Second Extension And Modification Agreement

Consent of Participant

The undersigned participant with the Lender in the Loan consents to the terms and conditions of the above-stated Second Extension And Modification Agreement and to the execution and delivery of such Second Extension And Modification Agreement by the Lender.

BANK OF AMERICA, N.A.,
Successor to LaSalle Bank National Association

By: _____
Name: CLARA HARREST
Title: VICE PRESIDENT

[Signatures Continued on Next Page]

Signature Page to Second Extension And Modification Agreement

Consent of Participant

The undersigned participant with the Lender in the Loan consents to the terms and conditions of the above-stated Second Extension And Modification Agreement and to the execution and delivery of such Second Extension And Modification Agreement by the Lender.

THE COLUMBIA BANK

By: Mary Ellen Lewis, VP
Name: MARY ELLEN LEWIS
Title: VICE PRESIDENT

[Signatures Continued on Next Page]

Signature Page to Second Extension And Modification Agreement

Consent of Participant

The undersigned participant with the Lender in the Loan consents to the terms and conditions of the above-stated Second Extension And Modification Agreement and to the execution and delivery of such Second Extension And Modification Agreement by the Lender.

CHESAPEAKE BANK OF MARYLAND

By: _____
Name: Thomas J. Aherne
Title: SVP/CLO.

[Signatures Continued on Next Page]

Signature Page to Second Extension And Modification Agreement

Consent of Participant

The undersigned participant with the Lender in the Loan consents to the terms and conditions of the above-stated Second Extension And Modification Agreement and to the execution and delivery of such Second Extension And Modification Agreement by the Lender.

KEYBANK NATIONAL ASSOCIATION, Successor to Key Corporate Capital Inc.

By: _____

Name: KURT E. REISER

Title: SVP

Bank Of America - CD#13 - Control ID#1133

Schedule 12.8

PENDING LITIGATION

As of May 1, 2009, there is no pending litigation against Erickson Retirement Communities, LLC or Novi Campus, LLC for an un-insured claim which is reserved for $100,000 or more.

Erickson is party to the cases listed below which meet the following criteria: (i) an insured claim; (ii) covered by an insurance policy with an insured retention of more than $100,000.00; and (iii) has a reserve over $50,000.00:

1. Robert Lee Butt, et. Al., v. Erickson Retirement Communities, LLC, et. al., Case No. 03-C-05009447, is currently pending in the Circuit Court of Baltimore County, Maryland. The plaintiff alleges that he has suffered carbon monoxide poisoning during work he performed as a contractor at Oak Crest Village, an Erickson managed facility in Parkville, Maryland. The plaintiff claimed permanent brain damage and loss of memory, consortium, etc. However, plaintiff was back at work the next day after the incident and it is anticipated that his medical damages are limited.

Erickson Retirement brought additional parties into the case including the architect, engineer and HVAC contractor. The parties have largely concluded the discovery phase and have engaged in mediation discussions. Trial is set for October 2009.

2. Linda Boeye v. Erickson Retirement Communities, Case No. BER-L-5749-06, is currently pending in the Superior Court of New Jersey for Bergen County. The plaintiff was a visitor to Cedar Crest Village, an Erickson managed community located in Pompton Plains. Plaintiff alleges that she fell within the community elevator when the elevator jolted during testing performed by community personnel. Plaintiff's attorney has mistakenly named Erickson Retirement as the primary defendant, rather than Cedar Crest Village. Defense counsel is awaiting a revised demand from plaintiff's counsel after plaintiff's latest surgery.

3. Victor Tavares v. Mega Construction, et. al., Case No. March Term 2008, No. 6194, is pending in the Court of Common Pleas in Philadelphia County. This case relates to an employee of a subcontractor of Mega Construction, the general contractor on the Maris Grove project in Concord, Pennsylvania. Discovery is still in process for the case, but it has been determined by our insurance adjuster that the case has a value of approximately $6 to $7 million dollars. The demand in the case is $25 million. Defense has been tendered to Mega Construction, which has provided indemnification to Erickson and to Concord Campus pursuant to the terms of its general contractor's agreement.

Bank Of America - CD#13 - Control ID#1133

Execution Version

THIRD EXTENSION AND STANDSTILL AGREEMENT
(NOVI Campus, LLC)

THIS THIRD EXTENSION AND STANDSTILL AGREEMENT ("Agreement") is made to be effective as of the 1st day of June, 2009 (the "Effective Date"), by and between PNC BANK, NATIONAL ASSOCIATION, successor to Mercantile-Safe Deposit and Trust Company (the "Lender"); NOVI CAMPUS, LLC (the "Borrower"); and ERICKSON RETIREMENT COMMUNITIES, LLC ("ERC") and ERICKSON GROUP, LLC (collectively, the "Guarantors"). Hereafter, the Borrower and the Guarantors are collectively referred to as the "Obligors" and the Lender and the Obligors are collectively referred to as the "Parties".

RECITALS

The Lender is the holder of a loan facility ("Loan") evidenced inter alia by a Revolving Loan Note ("Note") dated as of February 12, 2002 in the originally stated principal amount of Forty Six Million Dollars ($46,000,000.00), and a Construction Loan Agreement dated as of February 12, 2002, as modified by a First Comprehensive Amendment to Loan Documents dated February 12, 2002, a Waiver And Extension Agreement dated July 31, 2002, a Second Comprehensive Amendment to Loan Documents dated August 1, 2005, a Third Comprehensive Amendment to Loan Documents dated July 1, 2006, a Fourth Comprehensive Amendment to Loan Documents dated June 20, 2008; an Extension And Modification Agreement dated to be effective as of January 30, 2009, and a Second Extension And Modification Agreement ("Second Extension") dated to be effective as of April 30, 2009 ("Loan Agreement"). All terms defined in the Loan Agreement shall have the same meanings in this Agreement.

The Loan Documents, as modified by the Second Extension, presently provide that the Loan matures and is payable in full on May 29, 2009 (the "Maturity Date"). The Obligors have requested that the Lender agree to extend the Maturity Date of the Loan through and including June 30, 2009.

The Lender agreed in accordance with the terms of the Second Extension to not exercise its enforcement rights and remedies arising as a result of the "Existing Violations" (as defined in the Second Extension) for the period ending on May 29, 2009. The Obligors have requested that the Lender extend such period of time through June 30, 2009.

The Obligors have also requested that the Lender agree not to exercise through and including June 30, 2009 any enforcement rights and remedies of the Lender arising solely as a result of the "notice of default/reservation of rights" letter dated April 28, 2009 ("KeyBank Notice") from KeyBank National Association ("KeyBank") to Columbus Campus, LLC or solely arising from the events described in the KeyBank Notice, conditioned upon KeyBank and the lending institutions that are parties to the "Loan Agreement" described in the KeyBank Notice (collectively, the "KeyBank Lenders") and "Windsor" (as defined in the KeyBank Notice) not exercising through and including June 30, 2009 any enforcement, collection or other rights or remedies which any of such entities might have against the Guarantors as a result of the KeyBank Notice or the events described in the KeyBank Notice. The KeyBank Notice may have resulted in the Borrower's failure to comply with Section 9.1(s) of the Loan Agreement.

The Obligors have additionally requested that the Lender agrees not to exercise through and including June 30, 2009 any enforcement rights and remedies of the Lender arising solely as a result of the "Notice of Events of Default, Notice of Acceleration and Demand for Payment" dated May 30, 2009 ("Revolver Default Notice") from Wilmington Trust FSB, in its capacity as Administrative Agent ("Revolver Agent") for the Lenders ("Revolver Lenders") under a Credit Agreement dated July 27, 2007 ("Revolver Credit Agreement") by and among the Revolver Agent, Erickson Retirement Communities, Inc., Erickson Construction, LLC, certain "Subsidiary Guarantors", parties thereto, and the Revolver Lenders, or from the Events of Default ("Revolver Defaults") that are the subject of the Revolver Default Notice, conditioned upon the Revolver Agent and Revolver Lenders not exercising through and including June 30, 2009 any enforcement, collection or other rights or remedies which any of such entities might have against the Guarantors as a result of the Revolver Default Notice or the Revolver Defaults. The Revolver Default Notice may have resulted in the Borrower's failure to comply with Section 9.1(s) of the Loan Agreement.

The Obligors have further requested that the Lender agree not to exercise through and including June 30, 2009 any enforcement rights and remedies of the Lender arising solely as a result of the non-payment of interest or principal

after the Effective Date (collectively, the "Land Loan Non-Payments") upon either of the following land loans (collectively, the "Land Loans"): (a) loan from PNC Bank, National Association to Charlotte Campus, LLC; and (b) loan ("Sovereign Land Loan") from Sovereign Bank to St. Louis Campus, LLC. Any Land Loan Non-Payments may result in the Borrower's failure to comply with Section 9.1(s) of the Loan Agreement.

The Obligors have further requested that the Lenders agree not to exercise through and including June 30, 2009 any enforcement rights and remedies of the Lenders arising out of any notice of default upon the Sovereign Land Loan based solely upon the alleged existence of a cross-default ("Sovereign Land Loan Default") arising from the Revolver Default Notice and/or Revolver Defaults. The Sovereign Land Loan Default may have resulted in the Borrower's failure to comply with Section 9.1(s) of the Loan Agreement.

The Lender is willing to agree to the requests of the Obligors in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

Section 1. Recitals. The Obligors acknowledge that the Recitals set forth above are true and accurate. Each of the Recitals is incorporated into this Agreement by reference and is made a part hereof.

Section 2. Acknowledgment Of Obligations. The Obligors acknowledge that: (a) each of the Loan Documents is the valid and binding obligation of each Obligor that is a party thereto, and is fully enforceable in accordance with all stated terms; (b) the duties and obligations of each of the Obligors to pay and perform its respective obligations to the Lender in accordance with the terms of the Loan Documents are not subject to any set-offs, defenses or counterclaims; (c) the unpaid principal balance (exclusive of accrued interest, fees, costs and expenses) of the Loan as of the Effective Date is Thirty-Five Million Eight Hundred Thirty-Three Thousand Nine Hundred Forty-Two Dollars and Ninety-Nine Cents ($35,833,942.99); and (d) the aggregate face amount of the issued and outstanding "Letters of Credit", as such term is defined in the Loan Agreement, as of the Effective Date is One Million Six Hundred Eighty-Five Thousand Four Hundred Forty Six Dollars ($1,685,446.00).

Section 2.1. Amendment and Modification of Loan Agreement. Section 1.63 (Maturity Date) of the Loan Agreement is amended and modified as of the Effective Date by replacing the existing reference therein of "May 29, 2009" to "June 30, 2009".

Section 3. Amendment And Modification of Note. The Note is amended and modified as of the Effective Date by replacing the present reference in the first unnumbered paragraph of the Note of "May 29, 2009 (the "Maturity Date")" with "June 30, 2009 (the "Maturity Date")".

Section 4. Interest Payment. The Borrower shall make an interest payment to the Lender on or before the Effective Date in the amount of the interest that is scheduled in the Note as due and payable in June of 2009. The Borrower further acknowledges and agrees that all subsequent scheduled payments of interest upon the Loan shall be paid when and as due in accordance with the terms of the Notes, with no grace periods.

Section 5. No Distributions. The Borrower agrees that it will not pay and the Guarantors agree that they will not accept, any payments or distributions from the Borrower to either of the Guarantors nor permit any such payments to any Subsidiaries or affiliates of the Guarantors without regard as to whether any of such distributions would otherwise be authorized by the terms of Section 8.10 of the Loan Agreement. Without limitation to the foregoing and for the avoidance of doubt, the Borrower agrees that it will not pay, and the Guarantors agree to not accept and not to permit any Subsidiaries or affiliates of the Guarantors to accept, any Development Distributions.

Section 6. Limited Standstill of Enforcement Rights. In reliance upon the representations, warranties and covenants of the Obligors contained in this Agreement, the Lender hereby consents and agrees that the Lender will not exercise, through and including the "Termination Date" (as defined below), any enforcement rights or remedies of the Lender which arise solely as a result of the occurrence or existence of any of the following events or conditions (collectively, the "Standstill Events"): (a) the Existing Violations; (b) the issuance of the KeyBank Notice; (c) the events

described in the KeyBank Notice; (d) the Revolver Default Notice; (e) the Revolver Defaults; (f) any Land Loan Non-Payments, or (g) the Sovereign Land Loan Default. The Obligors acknowledge and agree that: (a) the execution and delivery of this Agreement by the Lender has not established and is not intended to establish any course of dealing among the Parties or create any obligation or agreement of the Lender with respect to any future restructuring, modification, amendment, waiver or forbearance with respect to the Loan or any of the Loan Documents; (b) the Lender has not waived any Defaults or Events of Defaults arising out of or related to the Standstill Events; (c) the Lender has not agreed to forbear or standstill from exercising any enforcement rights and remedies arising as the result of the occurrence or existence of any Defaults, Events of Default or other events or occurrences other than the Standstill Events; (d) the limited agreement of the Lender herein to a standstill period with respect to the Standstill Events shall automatically terminate without further notice to the Obligors upon that date ("Termination Date") upon which the earliest of the following occurs: (i) 12:00 pm (Eastern Time) on June 30, 2009; (ii) the exercise of any enforcement, collection or other actions or remedies against the Guarantors by KeyBank, Windsor, or any person or entity claiming through them as a result of the KeyBank Notice or the events described therein; (iii) the exercise of any enforcement, collection actions or remedies against the Guarantors by the Revolver Agent or Revolver Lenders, or any person or entity claiming through them as a result of the Revolver Default Notice or the Revolver Defaults; (iv) the exercise of any enforcement, collection actions or remedies against the Guarantors by the holders of the Land Loans as a result of the Land Loan Non-Payments, other than the delivery (without additional action or exercise of a right or remedy) of a notice of default by a holder of a Land Loan with respect to a Land Loan Non-Payment; (v) the exercise of any enforcement, collection actions or remedies by the holder of the Sovereign Land Loan as a result of the Sovereign Land Loan Default; (vi) any regulator having jurisdiction over any of the Obligors or the Tenant takes any action which has a material adverse effect upon the business operations that are presently being conducted upon the Property; or (vii) the occurrence of any Default or Event of Default (other than as a result of any of the Standstill Events); and (e) the consent of KeyBank to the terms of this Agreement and to the execution and delivery of this Agreement by the Lender shall not constitute (w) any admission against interest of any kind by KeyBank, (x) have any effect, direct or indirect, upon any rights or remedies asserted from time to time by KeyBank or any of the KeyBank Lenders arising out of or related to the KeyBank Notice or any of the events described in the KeyBank Notice, (y) have any effect, direct or indirect, upon the "Loan Agreement" (as defined in the KeyBank Notice) or the rights of KeyBank or the KeyBank Lenders thereunder, or (z) constitute any waiver or estoppel against KeyBank or the KeyBank Lenders with respect to the KeyBank Notice and the events described therein or constitute any agreement (express or implied) of KeyBank or the KeyBank Lenders to take or not take any action with respect to the KeyBank Notice and the events described therein.

Section 7. Additional Reporting Obligations. In addition to the reporting requirements set forth in the Loan Agreement and the other Loan Documents, the Obligors shall deliver to the Lender such additional financial information as the Lender reasonably requests, which information shall include (and the Lender hereby requests) the following documents and information, each of which shall be delivered on or prior to the date indicated for such document below and each of which shall be in such form and substance as is acceptable to the Lender in its sole and absolute discretion:

Section 7.1. on the Effective Date, true and complete copies of a forbearance agreement or the equivalent thereof for each of the Project Loans guaranteed by ERC, and a true and complete copy of a forbearance agreement or the equivalent thereof for the credit facility evidenced by the Revolver Credit Agreement, each of which shall provide for a forbearance period ending not sooner than 12:00 pm (Eastern Time) on June 30, 2009;

Section 7.2. (a) on or before the Effective Date, 13-week consolidated and consolidating cash flow statements of the Obligors projecting operations, and (b) on each successive Tuesday a weekly variance report comparing actual to budgeted results of operations for prior periods;

Section 7.3. on or before June 4, 2009, and by the close of business on each Tuesday thereafter, a verbal report to the Lender providing status updates regarding communications with regulators having jurisdiction over the Borrower and/or Tenant for the immediately preceding calendar week and regarding the Borrower's and Tenant's strategy and approach with respect to such regulators and regulatory issues, along with copies of any communications which are in written or electronic form;

Section 7.4. by the close of business on Tuesday of each week, (a) a report of all disbursements in excess of $50,000 made by the Obligors and their Subsidiaries for the immediately preceding calendar week; and (b) all

disbursements of the Obligors and their Subsidiaries to any officer, director or other "insider" of the Obligors and their Subsidiaries, excluding any disbursements for salary and benefits made in the ordinary course of business and which are consistent with the salary information provided to the Lender and its advisors prior to the Effective Date;

Section 7.5. on or before June 4, 2009, and by the close of business on each Tuesday thereafter (each, a "Certificate Delivery Date"), the Borrower shall deliver to the Lender a compliance certificate executed by an officer of the Borrower certifying (a) that no Default or Event of Default (other than the Standstill Events) has occurred and is continuing and no event has occurred and is continuing which, with the giving of notice or lapse of time, or both, would constitute an Event of Default under the Loan Documents or this Agreement; (b) no Indebtedness of any of the Obligors or their Subsidiaries shall mature or otherwise become due and payable, whether pursuant to its terms, by acceleration or otherwise, prior to the next Certificate Delivery Date; and (c) the amount of the Liquid Assets of the Obligors (and the location thereof) as of the close of business on the immediately preceding Friday;

Section 7.6. by noon of each Business Day, a report setting forth the amounts, holdings and value (as of close of business on the immediately preceding Business Day) of all cash, securities, investments and other amounts in the accounts, including securities accounts, maintained by the Obligors at banks, financial institutions and other institutions, including, without limitation, any Lender;

Section 7.7. by the close of business on Tuesday of each week following the Effective Date, a weekly report of "dashboard results" (marketing and cash flow) in such form and detail as reasonably requested by Marotta Gund Budd & Dzera, LLC ("Marotta Gund");

Section 7.8. on or before June 22, 2009, (a) detailed information on the long term restructuring, business and financial plan for each continuing care retirement community ("CCRC") owned by a Subsidiary of ERC prepared both on a consolidated and individual basis, including, without limitation, a timeline of events and the proposed use of liquidity (cash or investments) to be provided by the Obligors to effectuate such restructuring plans during the longer of (i) the remainder of calendar year 2009 and 2010 or (ii) the time period under which a restructuring would be effectuated; (b) proposed build-out plans for each CCRC (and the related capital costs) for the remainder of 2009 and 2010, if any; and (c) estimated management and development fees that are projected to be payable by any CCRC (including amounts and timing of payments) taking into consideration the proposed restructuring plans noted in (a), above;

Section 7.9. on or before June 22, 2009, a detailed strategy (including timing) for restructuring the Indebtedness under the Loan Agreement and the other Loan Documents, and all other Indebtedness incurred by any entity which manages, owns, leases, controls or occupies any CCRC's including, without limitation, a recommendation identifying which CCRC project debt consisting of mezzanine debt and sale/leaseback arrangements may warrant continued support by the Guarantors (as proposed by the Guarantors);

Section 7.10. on or before June 15, 2009, (a) a detailed strategy (including timing) for communicating with National Senior Campuses, Inc. and each not for profit entity which manages, owns, leases, controls, or occupies any CCRC and their related Subsidiaries or affiliates (collectively, the "NFPs") with respect to management contract options (assuming the Obligors and their Subsidiaries stabilize and are operating under a long term forbearance or restructuring); and (b) a verbal report on negotiating with the NFPs, including commentary on the need of the NFPs to maintain and or enter into a longer term management agreement with the Obligors and/or their Subsidiaries; and (c) on or before June 22, 2000, a detailed term sheet with the NFPs related to a longer term interim management agreement with the Obligors with concurrent delivery to the NFPs, if any;

Section 7.11. on or before June 22, 2009 a detailed timeline for the long-term restructuring of the credit facility evidenced by the Revolver Credit Agreement and of the Indebtedness of the CCRCs known as Tallgrass Creek, Ann's Choice, Lindere Ponds, Sedgebrook, Monarch Landing, Maris Grove, Fox Run, Windcrest, Ashby Ponds, Highland Springs and Eagle's Trace;

Section 7.12. on or before June 15, 2009, a proposed interim restructuring term sheet for the Loan and the Indebtedness owed by the Borrower;

Section 7.13. (a) on or before June 5, 2009, ERC or its Affiliates shall engage Anwyll & Company (as to the Littleton, Colorado CCRC) and Sharon Brooks & Associates (as to all other CCRCs) or such other outside consultants as are reasonably acceptable to the Lender to provide (i) a preliminary feasibility assessment related to the CCRCs known as Highland Springs, Eagle's Trace, Fox Run, Tallgrass Creek, Monarch Landing and Sedgebrook (the "Preliminary Assessment"); (ii) a marketing plan and assessment for the CCRCs known as Highland Springs, Eagle's Trace, Fox Run and Windcrest (the "First Report"); and (iii) a marketing plan and assessment for the CCRCs known as Tallgrass Creek, Monarch Landing and Sedgebrook (the "Second Report"); (b) on or before June 5, 2009, the Obligors shall provide to the Lender copies of the engagement letters or other agreements made with Anwyll & Company and Sharon Brooks & Associates; (c) on or before June 22, 2009, the Obligors shall deliver the Preliminary Assessment to the Lender; (d) on or before June 30, 2009, the Obligors shall deliver the First Report to the Lender; and (e) on or before July 15, 2009, the Obligors shall deliver the Second Report to the Lender;

Section 7.14. two Business Days prior written notice to the Lender of any liquidation or disposition of securities held by the Obligors or their Subsidiaries in any securities account if such liquidation or disposition would result in more than (a) $3,500,000 in securities being liquidated in the aggregate on any Business Day and (b) $1,000,000 in securities being liquidated in the aggregate on any Business Day excluding, in the case of clause (b) only, liquidations or dispositions made in the ordinary course of business consistent with past practices; and

Section 7.15. two Business Days prior written notice to the Lender of any wire transfer, check or other transfer of cash in an amount greater than (a) $3,500,000 from a deposit account, checking account or other account maintained by any of the Obligors or their Subsidiaries and (b) $1,000,000 from a deposit account, checking account or other account maintained by any of the Obligors or their Subsidiaries excluding, in the case of clause (b) only, wire transfers, checks and other transfers made in the ordinary course of business consistent with past practices and expressly provided for in the budget provided to the Lender and its advisors.

Section 8. Reimbursement Of Expenses. The Obligors agree to reimburse the Lender on or before the Effective Date for all reasonable fees, costs and expenses incurred by the Lender in connection with the negotiation and preparation of this Agreement and all due diligence conducted by the Lender with respect to the Loan and the security therefor, and all other fees, costs and expenses incurred by the Lender in connection with the consummation of the transactions and matters described herein and the administration of the Loan, including without limitation all reasonable attorneys' fees, appraisal fees, the consulting fees of Marotta Gund, and other expenses incurred by the Lender.

Section 9. Security. The obligations of the Obligors to pay and perform their respective obligations under the Loan Documents to the Lender shall continue to be secured by the liens, assignments, pledges and security interests described and provided for in the Loan Documents, all of which are hereby ratified and confirmed by the Obligors.

Section 10. Representations and Warranties. Each of the Obligors represents and warrants the following to the Lender and to each participant with the Lender in the Loan that as of the Effective Date:

Section 10.1. Accuracy of Information. All information and data submitted by or on behalf of the Obligors in connection with this Agreement and the transactions contemplated herein, is true, accurate and complete in all material respects as of the date made and contains no knowingly false, incomplete or misleading statements.

Section 10.2. Authorization. The making and performance of this Agreement by the Obligors will not: (i) violate the Obligors' respective organizational documents; (ii) violate any laws or result in a default under any contract, agreement, or instrument to which any of the Obligors is a party or by which any of the Obligors or any of their respective properties are bound; or (iii) result in the creation or imposition of any security interest in, or lien or encumbrance upon, the assets of any of the Obligors except in favor of the Lender.

Section 10.3. Organization. The Borrower is a Maryland limited liability company duly organized, validly existing, and in good standing under the laws of the State of Maryland, and is qualified to do business in each jurisdiction in which the nature of its business or its assets require qualification.

Section 10.4. Taxes. The Obligors are current in their respective tax payment obligations to all applicable taxing authorities, except to the extent that any such obligations are being contested in good faith.

Section 10.5. Judgments. There are no outstanding judgments or tax liens against any of the Obligors or their respective assets other than inchoate liens for taxes, assessments or similar charges that are not yet due and payable.

Section 10.6. Pending Litigation. Except as set forth on Schedule 10.6 attached hereto, there are no actions, suits, investigations or proceedings pending or, to the knowledge of the Obligors, threatened against any of the Obligors, or against any of the collateral securing the Loan.

Section 10.7. Existing Liens. The Lender holds duly perfected liens and security interests in and to the assets of the Obligors as required by the terms and conditions of the Loan Documents with such lien priorities as required by the Loan Documents, which liens and security interests shall survive intact the transactions contemplated by this Agreement in the same lien priority existing immediately prior to the Effective Date.

Section 11. Conditions Precedent to Effectiveness of This Agreement. The Obligors acknowledge and agree that this Agreement shall become effective only upon the satisfaction of all of the following conditions precedent: (a) the receipt by the Lender of duly executed counterparts of this Agreement from the Lender, each of the Obligors, and all of the Participants; (b) the receipt by the Lender of satisfactory evidence of an agreement pursuant to which the Revolver Lenders have agreed to forbear through 12:00 pm (Eastern Time) on June 30, 2009 from exercising enforcement remedies arising as a result of the Revolving Defaults; (c) the receipt by the Lender of satisfactory evidence that the holders of other project indebtedness of the subsidiaries of ERC have either agreed to waive, or have agreed to forbear from exercising, through 12:00 pm (Eastern Time) on June 30, 2009 their respective enforcement remedies arising as a result of existing defaults or that the exercise of such enforcement remedies is effectively stayed as a result of any applicable subordination and other agreements.

Section 12. No Other Modifications Of Loan Documents. The Obligors acknowledge that except as expressly provided for herein, the Parties have not agreed to any other amendments or modifications of the Loan Documents. In the event of any conflict between the stated terms of the Loan Documents and the terms of this Agreement, the terms of this Agreement shall control.

Section 13. No Novation; No Refinance. It is the intention of the Parties that nothing contained in this Agreement shall be deemed to accomplish or constitute a novation of any of the obligations or duties owed by any of the Obligors to the Lender or of any of the Loan Documents or to be a refinance of the Loan.

Section 14. Subordination. The Obligors agree that any current or future loans or other obligations owed by the Borrower to the Guarantors are hereby subordinated in right of payment and enforcement to the repayment in full and enforcement of all obligations owed by the Borrower to the Lender.

Section 15. Further Assurances. Each of the Obligors agrees to execute and deliver to the Lender such other documents as may, from time to time, be reasonably requested by the Lender in order to execute upon or enforce the terms and conditions of this Agreement or of any of the Loan Documents.

Section 16. Enforceability. This Agreement shall inure to the benefit of and be enforceable against each of the Parties and their respective successors and assigns.

Section 17. Choice Of Law; Consent To Jurisdiction; Agreement As To Venue. This Agreement shall be construed, performed and enforced and its validity and enforceability determined in accordance with the laws of the State of Maryland (excluding conflict of laws principles). Each of the Obligors consents to the jurisdiction of the courts of the State of Maryland and, if a basis for federal jurisdiction exists, to the jurisdiction of the United States District Court for the District of Maryland. Each of the Obligors waives any right to object to the maintenance of a suit by the Lender in any of the state or federal courts located anywhere in the State of Maryland on the basis of improper venue or inconvenience of forum.

Section 18. Amendment. This Agreement may be amended only by a writing executed by all of the Parties.

Section 19. Time. Time is of the essence to this Agreement.

Section 20. Waivers; Course of Conduct. No failure or delay by the Lender in the exercise or enforcement of any of its rights under any Loan Document shall be a waiver of such right or remedy nor shall a single or partial exercise or enforcement thereof preclude any other or further exercise or enforcement thereof or the exercise or enforcement of any other right or remedy. The Lender may at any time or from time to time waive the compliance by the Obligors with any of the provisions of the Loan Agreement, this Agreement or any of the other Loan Documents, but any such waiver must be specific and in writing to be binding upon the Lender and no such waiver shall constitute, unless specifically so expressed by the Lender in writing, a future waiver of performance or exact performance by the Obligors. No notice to or demand upon any Obligor in any instance shall entitle any Obligor to any other or further notice or demand in the same, similar or other circumstance.

Section 21. Obligations Unconditional. The obligations of the Obligors set forth in this Agreement and as required by the terms of the Loan Documents are absolute and unconditional, and are independent of any defense or rights of set-off, recoupment or counterclaim which any of the Obligors might have or ever had against the Lender. Each of the Obligors agrees that all payments required hereunder and/or by the Loan Documents shall be made free of any deductions and without abatement, diminution or set-off.

Section 22. **RELEASE. IN ORDER TO INDUCE THE LENDER TO ENTER INTO THIS AGREEMENT, EACH OF THE OBLIGORS FOREVER RELEASES AND DISCHARGES THE LENDER AND EACH PARTICIPANT WITH THE LENDER IN THE LOAN THAT HOLDS ANY INTEREST IN THE LOAN AND THE RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS, AND AGENTS OF THE LENDER AND OF EACH PARTICIPANT WITH THE LENDER IN THE LOAN (COLLECTIVELY, THE "RELEASED PARTIES") FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, SUITS AND DAMAGES (INCLUDING CLAIMS FOR ATTORNEYS' FEES AND COSTS) WHICH IT, JOINTLY OR SEVERALLY, EVER HAD OR MAY NOW HAVE AGAINST ANY OF THE RELEASED PARTIES FOR ANY MATTER, INCLUDING WITHOUT LIMITATION ANY CLAIMS ARISING OUT OF OR RELATED IN ANY WAY TO THE LOAN, THE LOAN DOCUMENTS, THE COLLATERAL FOR THE LOAN, THIS AGREEMENT OR THE ADMINISTRATION THEREOF, WHETHER KNOWN OR UNKNOWN, INCLUDING BUT NOT LIMITED TO ANY AND ALL CLAIMS BASED UPON OR RELYING ON ANY ALLEGATIONS OR ASSERTIONS OF DURESS, ILLEGALITY, UNCONSCIONABILITY, BAD FAITH, BREACH OF CONTRACT, REGULATORY VIOLATIONS, NEGLIGENCE, MISCONDUCT, OR ANY OTHER TORT, CONTRACT OR REGULATORY CLAIM OF ANY KIND OR NATURE. THIS RELEASE IS INTENDED TO BE FINAL AND IRREVOCABLE AND IS NOT SUBJECT TO THE SATISFACTION OF ANY CONDITIONS OF ANY KIND.**

Section 23. Waiver Of Jury Trial. Each of the Parties agrees that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by it or by any of its successors or assigns, on or with respect to this Agreement, the Loan (or the administration thereof), or any of the other Loan Documents, or which in any way relates, directly or indirectly, to its obligations to any other PARTY, shall be tried by a court and not by a jury. **EACH OF THE PARTIES TO THIS AGREEMENT EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING.**

Section 24. Execution in Counterparts; Delivery. This Agreement may be executed and delivered by the Parties in counterparts. Executed counterparts of this Agreement may be delivered electronically.

[Signatures Begin on Next Page]

Signature Page to Third Extension And Standstill Agreement

IN WITNESS WHEREOF, the undersigned Parties have executed this Agreement to be effective as of the above stated Effective Date.

Borrower:

NOVI CAMPUS, LLC,
a Maryland limited liability company

By: Erickson Retirement Communities, LLC
Member

By: _____
Name: Gerald F. Doherty
Title: Executive Vice President

Guarantors:

ERICKSON RETIREMENT COMMUNITIES, LLC,
a Maryland limited liability company

By: _____
Name: Gerald F. Doherty
Title: Executive Vice President

ERICKSON GROUP, LLC,
a Maryland limited liability company

By: _____
Name: Gerald F. Doherty
Title: Secretary

[Signatures Continued on Next Page]

Signature Page to Third Extension And Standstill Agreement

IN WITNESS WHEREOF, the undersigned has executed this Agreement to be effective as of the above stated Effective Date.

Lender:

PNC BANK, NATIONAL ASSOCIATION

By: Wendy M Andrews
Name: Wendy M Andrews
Title: Vice President

[Signatures Continued on Next Page]

Signature Page to Third Extension And Standstill Agreement

Consent of Participant

The undersigned participant with the Lender in the Loan consents to the terms and conditions of the above-stated Third Extension And Standstill Agreement and to the execution and delivery of such Third Extension And Standstill Agreement by the Lender.

BANK OF AMERICA, N.A.,
Successor to LaSalle Bank, National Association

By: _____
Name: CHRIS FOREST
Title: VICE PRESIDENT

[Signatures Continued on Next Page]

Signature Page to Third Extension And Standstill Agreement

Consent of Participant

The undersigned participant with the Lender in the Loan consents to the terms and conditions of the above-stated Third Extension And Standstill Agreement and to the execution and delivery of such Third Extension And Standstill Agreement by the Lender.

THE COLUMBIA BANK

By: Mary Ellen Lewis
Name: MARY ELLEN LEWIS
Title: VICE PRESIDENT

[Signatures Continued on Next Page]

Bank Of America - CD#13 - Control ID#1133

Consent of Participant

The undersigned participant with the Lender in the Loan consents to the terms and conditions of the above-stated Third Extension And Standstill Agreement and to the execution and delivery of such Third Extension And Standstill Agreement by the Lender.

CHESAPEAKE BANK OF MARYLAND

By: _____
Name: Thomas J. Ahearn
Title: Senior Vice President

[Signatures Continued on Next Page]

Bank Of America - CD#13 - Control ID#1133

Signature Page to Third Extension And Standstill Agreement

Consent of Participant

The undersigned participant with the Lender in the Loan consents to the terms and conditions of the above-stated Third Extension And Standstill Agreement and to the execution and delivery of such Third Extension And Standstill Agreement by the Lender.

KEYBANK NATIONAL ASSOCIATION, Successor to Key Corporate Capital Inc.

By: _____

Name: Kurt L. KEISER

Title: SVP

Bank Of America - CD#13 - Control ID#1133

Schedule 10.6
to Third Extension And
Standstill Agreement
(NOVI Campus, LLC)

PENDING LITIGATION

As of May 29, 2009, there is no pending litigation against Erickson Retirement Communities, LLC or Novi Campus, LLC for an un-insured claim which is reserved for $100,000 or more.

Erickson is party to the cases listed below which meet the following criteria: (i) an insured claim; (ii) covered by an insurance policy with an insured retention of more than $100,000.00; and (iii) has a reserve over $50,000.00:

1. Robert Lee Butt, et. Al., v. Erickson Retirement Communities, LLC, et. al., Case No. 03-C-05009447, is currently pending in the Circuit Court of Baltimore County, Maryland. The plaintiff alleges that he has suffered carbon monoxide poisoning during work he performed as a contractor at Oak Crest Village, an Erickson managed facility in Parkville, Maryland. The plaintiff claimed permanent brain damage and loss of memory, consortium, etc. However, plaintiff was back at work the next day after the incident and it is anticipated that his medical damages are limited.

Erickson Retirement brought additional parties into the case including the architect, engineer and HVAC contractor. The parties have largely concluded the discovery phase and have engaged in mediation discussions. Trial is set for October 2009.

2. Linda Boeye v. Erickson Retirement Communities, Case No. BER-L-5749-06, is currently pending in the Superior Court of New Jersey for Bergen County. The plaintiff was a visitor to Cedar Crest Village, an Erickson managed community located in Pompton Plains. Plaintiff alleges that she fell within the community elevator when the elevator jolted during testing performed by community personnel. Plaintiff's attorney has mistakenly named Erickson Retirement as the primary defendant, rather than Cedar Crest Village. Defense counsel is awaiting a revised demand from plaintiff's counsel after plaintiff's latest surgery.

3. Victor Tavares v. Mega Construction, et. al., Case No. March Term 2008, No. 6194, is pending in the Court of Common Pleas in Philadelphia County. This case relates to an employee of a subcontractor of Mega Construction, the general contractor on the Maris Grove project in Concord, Pennsylvania. Discovery is still in process for the case, but it has been determined by our insurance adjuster that the case has a value of approximately $6 to $7 million dollars. The demand in the case is $25 million. Defense has been tendered to Mega Construction, which has provided indemnification to Erickson and to Concord Campus pursuant to the terms of its general contractor's agreement.

Bank Of America - CD#13 - Control ID#1133

Execution Version

FORBEARANCE AGREEMENT
(NOVI Campus, LLC)

THIS FORBEARANCE AGREEMENT ("Agreement") is made to be effective as of 12:00 PM (EST) on the 30th day of June, 2009 (the "Effective Date"), by and between PNC BANK, NATIONAL ASSOCIATION, successor to Mercantile-Safe Deposit and Trust Company (the "Lender"); NOVI CAMPUS, LLC (the "Borrower"); and ERICKSON RETIREMENT COMMUNITIES, LLC and ERICKSON GROUP, LLC (collectively, the "Guarantors"). Hereafter, the Borrower and the Guarantors are collectively referred to as the "Obligors" and the Lender and the Obligors are collectively referred to as the "Parties".

RECITALS

The Lender is the holder of a loan facility ("Loan") evidenced inter alia by a Revolving Loan Note ("Note") dated as of February 12, 2002 in the originally stated principal amount of Forty Six Million Dollars ($46,000,000.00), and a Construction Loan Agreement dated as of February 12, 2002 (as modified, the "Loan Agreement"), as modified by a First Comprehensive Amendment to Loan Documents dated February 12, 2002, a Waiver And Extension Agreement dated July 31, 2002, a Second Comprehensive Amendment to Loan Documents dated August 1, 2005, a Third Comprehensive Amendment to Loan Documents dated July 1, 2006, a Fourth Comprehensive Amendment to Loan Documents dated June 20, 2008; an Extension And Modification Agreement dated to be effective as of January 30, 2009 ("First Extension"), a Second Extension And Modification Agreement ("Second Extension") dated to be effective as of April 30, 2009, and a Third Extension And Standstill Agreement dated to be effective as of June 1, 2009 ("Standstill Agreement"). All terms not otherwise defined in this Agreement shall have the same meanings ascribed to them in the Loan Agreement, the First Extension, the Second Extension, and the Standstill Agreement.

By Guaranty Agreement dated February 12, 2002 (the "Guaranty"), the Guarantors guaranteed to the Lender inter alia the payment and performance by the Borrower of all of its obligations under the Loan Agreement.

The Lender agreed in accordance with the terms of the Standstill Agreement inter alia to: (a) extend the "Maturity Date" (as defined in the Standstill Agreement) of the Loan through June 30, 2009; and (b) not exercise its enforcement rights and remedies arising as a result of the "Standstill Events" (as defined in the Standstill Agreement) until June 30, 2009.

Subsequent to the Standstill Agreement, the Borrower has advised the Lender of the following events (collectively, the "Additional Events"): (a) the Borrower will not repay the Loan in full on the Maturity Date as required by the Loan Documents; and (b) events of default have occurred and are continuing and additional events of default may occur on or immediately after the Effective Date in connection with indebtedness of the Guarantors, including direct indebtedness and obligations of the Guarantors under certain guaranties (collectively, "Cross Default Indebtedness").

Each of the Standstill Events and each of the Additional Events (collectively, the "Forbearance Events of Default") constitute or upon its occurrence will constitute an Event Of Default.

The Obligors have requested that the Lender forbear from exercising during the "Forbearance Period" (hereafter defined) against the Obligors the default, enforcement and collection rights and remedies (collectively, the "Remedies") available to the Lender in accordance with the terms of the Loan Documents and the Guaranty and as available under applicable laws solely as a result of the occurrence of and continuation of the Forbearance Events of Default.

The Lender is willing to forbear from exercising during the Forbearance Period the Remedies against the Obligors if the Obligors execute and deliver this Agreement and comply with the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

Section 1. Recitals. The Obligors acknowledge that the Recitals set forth above are true and accurate. Each of the Recitals is incorporated into this Agreement by reference and is made a part hereof.

Section 2. Acknowledgment Of Obligations. The Obligors acknowledge that: (a) the Loan Documents are the valid and binding obligations of the Obligors that are parties thereto, and are fully enforceable in accordance with all stated terms; (b) the duties and obligations of each of the Obligors to pay and perform its respective obligations to the Lender in accordance with the terms of the Loan Documents are not subject to any set-offs, defenses or counterclaims; and (c) in the absence of this Agreement, the Lender would have the immediate and unconditional right to exercise the Remedies against the Obligors.

Section 3. Forbearance. In reliance upon the representations, warranties and covenants of the Obligors set forth in this Agreement, the Lender hereby agrees to forbear from exercising the Remedies which the Lender is entitled to exercise as a result of the Forbearance Events of Default for that period ("Forbearance Period") commencing on the Effective Date and ending on that date and time ("Termination Date") which is the earliest of: (a) July 10, 2009 at 12:00 PM (EST); (b) the date of acceleration of any Cross Default Indebtedness by any holder thereof and the exercise of any collection, enforcement, default or other rights or remedies by any holder of the Cross Default Indebtedness (excluding any deed in lieu of foreclosure transactions or similar transactions with respect to mortgage loans secured by undeveloped property and further excluding the appointment of a receiver and/or a foreclosure proceeding or other enforcement proceedings pursued by the holders of the credit facilities secured by the Columbus Campus, provided that any such proceedings are not pursued against the Guarantors); (c) the occurrence of any Default or Event Of Default other than the Forbearance Events of Default; (d) the failure of the Obligors to comply with any covenant or requirement of this Agreement, or the failure of the Obligors to cause or prevent any event or condition which the Obligors have agreed herein that the Obligors will either cause to occur or will prevent from occurring; or (e) the action by any governmental authority which has, or is reasonably likely to have, a material adverse effect upon the business operations of the Property as a continuing care retirement community.

Section 4. Preservation of Forbearance Events of Default. The Obligors acknowledge and agree that the Lender is not waiving or excusing the Forbearance Events of Default and that the Forbearance Events of Default and the rights of the Lender to exercise the Remedies are preserved and shall survive the execution and delivery of this Agreement by the Parties. The Obligors further acknowledge and agree that: (a) the Lender may commence the exercise of the Remedies on the Termination Date without notice to the Obligors or any right of the Obligors to cure (all such rights being expressly waived hereunder) unless the Termination Date has been extended by the written agreement of the Lender; (b) the execution and delivery of this Agreement by the Lender has not established and is not intended to establish any course of dealing among the Parties or create any obligation or agreement of the Lender with respect to any future restructuring, modification, amendment, waiver, extension, or forbearance with respect to the Loan or any of the Loan Documents; and (c) the Lender has not agreed to forbear or standstill during the Forbearance Period from exercising any enforcement rights and remedies arising as the result of the occurrence or existence of any Defaults, Events Of Default or other events or occurrences other than the Forbearance Events of Default.

Section 5. No Advances or Distributions; Application of Payments. The Borrower agrees that it will not request the advance of proceeds of the Loan or the issuance of any Letters of Credit, and acknowledges and agrees that the Lender will not fund any further advances of proceeds of the Loan nor issue any Letters of Credit during the Forbearance Period. The Borrower further agrees that any principal repayments of the Loan shall permanently reduce the principal balance of the Loan and permanently reduce the Committed Amounts and the Lender shall have no obligation to readvance (as proceeds of the Loan, Letters of Credit or otherwise) to the Borrower any of such principal repayments. The Borrower further agrees that it will not pay and the Guarantors agree that they will not accept, any payments or distributions from the Borrower to the Guarantors nor permit any such payments to any Subsidiaries or affiliates of the Guarantors without regard as to whether any of such distributions would otherwise be authorized by the terms of Section 8.10 of the Loan Agreement. The Guarantors further agree that they will not accept and will cause their Subsidiaries and affiliates to agree to not accept any payments, fees (including "management" and "development" fees), reimbursements, or distributions from the Tenant. Without limitation to the foregoing and for the avoidance of doubt, the Borrower agrees that it will not pay, and the Guarantors agree that they will not accept or permit the payment to any of their Subsidiaries or affiliates of any Development Distributions.

Section 6. Additional Reporting Obligations. In addition to the reporting requirements set forth in the Loan Agreement, the other Loan Documents, the First Extension, the Second Extension, and the Standstill Agreement, the Obligors shall promptly deliver to the Lender such additional financial information as the Lender reasonably requests, which information shall include (and the Lender hereby requests) the following documents and information, each of which shall be delivered on or prior to the date indicated for such document below and each of which shall be in such form and substance as is acceptable to the Lender in its sole and absolute discretion:

Section 6.1. on or before the Effective Date, true and complete copies of a forbearance agreement or the equivalent thereof for each of the project financings (other than the project financings for the Columbus Campus), the repayment of which is guaranteed by the Guarantors, and a true and complete copy of a forbearance agreement or the equivalent thereof for the credit facility evidenced by the Revolver Credit Agreement, each of which shall provide for a forbearance period expiring by its terms not sooner than 12:00 PM (EST) on July 10, 2009 (but which forbearance period may be subject to earlier termination, in accordance with the terms and conditions of the applicable agreement);

Section 6.2. on or before the Effective Date, two (2) week consolidated and consolidating cash flow statements of the Obligors and their Subsidiaries projecting operations;

Section 6.3. by the close of business on each consecutive Tuesday, a verbal report to the Lender providing status updates regarding communications with regulators having jurisdiction over the Borrower and/or Tenant for the immediately preceding calendar week and regarding the Borrower's and Tenant's strategy and approach with respect to such regulators and regulatory issues, along with copies of any communications which are in written or electronic form;

Section 6.4. by the close of business on each consecutive Tuesday: (a) a report of all disbursements in excess of $50,000 made by the Obligors and their Subsidiaries for the immediately preceding calendar week; and (b) all disbursements of the Obligors and their Subsidiaries to any officer, director or other "insider" of the Obligors and their Subsidiaries, excluding any disbursements for salary and benefits made in the ordinary course of business and which are consistent with the salary information provided to the Lender and its advisors prior to the Effective Date;

Section 6.5. by the close of business on each consecutive Tuesday (each, a "Certificate Delivery Date"), the Borrower shall deliver to the Lender a compliance certificate executed by an officer of the

Borrower certifying: (a) that no Default or Event Of Default (other than the Forbearance Events of Default) has occurred and is continuing and no event has occurred and is continuing which, with the giving of notice or lapse of time, or both, would constitute an Event Of Default under the Loan Documents or this Agreement; (b) no Indebtedness of any of the Obligors or their Subsidiaries shall mature or otherwise become due and payable, whether pursuant to its terms, by acceleration or otherwise, prior to the next Certificate Delivery Date; and (c) the amount of the Liquid Assets of the Obligors (and the location thereof) as of the close of business on the immediately preceding Friday;

Section 6.6. by noon of each Business Day, a report setting forth the amounts, holdings and value (as of close of business on the immediately preceding Business Day) of all cash, securities, investments and other amounts in the accounts, including securities accounts, maintained by the Obligors at banks, financial institutions and other institutions, including, without limitation, the Lender;

Section 6.7. two Business Days prior written notice to the Lender of any liquidation or disposition of securities held by the Obligors or their Subsidiaries in any securities account if such liquidation or disposition would result in more than: (a) $3,500,000 in securities being liquidated in the aggregate on any Business Day; and (b) $1,000,000 in securities being liquidated in the aggregate on any Business Day excluding, in the case of this clause (b) only, liquidations or dispositions made in the ordinary course of business consistent with past practices;

Section 6.8. two Business Days prior written notice to the Lender of any wire transfer, check or other transfer of cash in an amount greater than: (a) $3,500,000 from a deposit account, checking account or other account maintained by any of the Obligors or their Subsidiaries; and (b) $1,000,000 from a deposit account, checking account or other account maintained by any of the Obligors or their Subsidiaries excluding, in the case of this clause (b) only, wire transfers, checks and other transfers made in the ordinary course of business consistent with past practices and expressly provided for in the budget provided to the Lender and its advisors; and

Section 6.9. by the close of business on Thursday, July 2, 2009, and on Thursday, July 9, 2009, an oral report to the Lender, in such detail as requested by the Lender, of the status of the negotiations and discussions between the Guarantors and National Senior Campuses, Inc. ("NSC") and their respective advisors and between the Guarantors and various NSC supported not-for-profit entities and their respective advisors with respect to: (a) the transactions contemplated by the Term Sheet dated June 24, 2009 submitted by NSC to the Guarantors; and (b) the funding of the ordinary course operating and financing expenses of the Project from and after the Termination Date.

Section 7. No Further Notice and Cure Rights During The Forbearance Period. The Obligors hereby waive during the Forbearance Period all notices of default and cure rights set forth in the Loan Documents. The Obligors acknowledge that the Lender shall have no obligation during the Forbearance Period to provide any notice to the Obligors of any Defaults or Events Of Default or other violations of the terms of the Loan Documents prior to exercising any enforcement rights and remedies and the Obligors shall have no cure rights during the Forbearance Period with respect to any Defaults or Events Of Default or other violations of the terms of the Loan Documents.

Section 8. Reimbursement Of Expenses. The Obligors agree to reimburse the Lender on or before the Effective Date for all reasonable fees, costs and expenses incurred by the Lender in connection with the negotiation and preparation of this Agreement and all due diligence conducted by the Lender with respect to the Loan and the security therefor, and all other fees, costs and expenses incurred by the Lender in connection with the consummation of the transactions and matters described herein and the administration of

the Loan, including without limitation all reasonable attorneys' fees, appraisal fees, the consulting fees of Marotta Gund, and other expenses incurred by the Lender.

Section 9. Security. The obligations of the Obligors to pay and perform their respective obligations under the Loan Documents to the Lender shall continue to be secured by the liens, assignments, pledges and security interests described and provided for in the Loan Documents, all of which are hereby ratified and confirmed by the Obligors.

Section 10. Representations and Warranties. Each of the Obligors represents and warrants the following to the Lender and to each participant with the Lender in the Loan that as of the Effective Date:

Section 10.1. Accuracy of Information. All information and data submitted by or on behalf of the Obligors in connection with this Agreement and the transactions contemplated herein, is true, accurate and complete in all material respects as of the date made and contains no knowingly false, incomplete or misleading statements.

Section 10.2. Authorization. The making and performance of this Agreement by the Obligors will not: (i) violate the organizational documents of any of the Obligors; (ii) violate any laws or result in a default under any contract, agreement, or instrument to which any of the Obligors is a party or by which any of the Obligors or any of their respective properties are bound; or (iii) result in the creation or imposition of any security interest in, or lien or encumbrance upon, the assets of any of the Obligors except in favor of the Lender.

Section 10.3. Organization. The Borrower is a Maryland limited liability company duly organized, validly existing, and in good standing under the laws of the State of Maryland, and is qualified to do business in each jurisdiction in which the nature of its business or its assets require qualification.

Section 10.4. Taxes. The Obligors are current in their respective tax payment obligations to all applicable taxing authorities, except to the extent that any such obligations are being contested in good faith.

Section 10.5. Judgments. There are no outstanding judgments or tax liens against any of the Obligors or their respective assets other than inchoate liens for taxes, assessments or similar charges that are not yet due and payable.

Section 10.6. Pending Litigation. Except as set forth on Schedule 10.6 attached to the Standstill Agreement, there are no actions, suits, investigations or proceedings pending or, to the knowledge of the Obligors, threatened against any of the Obligors, or against any of the collateral securing the Loan.

Section 10.7. Existing Liens. The Lender holds duly perfected liens and security interests in and to the assets of the Obligors as required by the terms and conditions of the Loan Documents with such lien priorities as required by the Loan Documents, which liens and security interests shall survive intact the transactions contemplated by this Agreement in the same lien priority existing immediately prior to the Effective Date.

Section 11. Payment Upon Subordinated Obligations. The Borrower acknowledges that it has ceased making payments upon the "Subordinated Obligations" (as defined in a Ground Lessor Tri-Party Agreement dated February 28, 2003 by and between CNL Retirement ER2, LP, CNL Retirement Partners, LP and the Lender, as successor to Mercantile-Safe Deposit And Trust Company). The Borrower agrees that it will not make any payments upon the Subordinated Obligations during the Forbearance Period.

Section 12. Conditions Precedent to Effectiveness of This Agreement. The Obligors acknowledge and agree that this Agreement shall become effective only upon the satisfaction of all of the following conditions precedent: (a) the receipt by the Lender of duly executed counterparts of this Agreement from the Lender, each of the Obligors; (b) the receipt by the Lender of satisfactory evidence of an agreement pursuant to which the revolving lenders have agreed to forbear through 12:00 PM (EST) on July 10, 2009 from exercising enforcement remedies arising as a result of any existing (*i.e.*, as of the Effective Date) defaults or events of default; (c) the receipt by the Lender of satisfactory evidence that the holders of other project financings (other than the project financings for the Columbus Campus), the repayment of which has been guaranteed by the Guarantors, have either agreed to waive, or have agreed to forbear from exercising, through 12:00 PM (EST) on July 10, 2009 their respective enforcement remedies arising as a result of any existing (*i.e.*, as of the Effective Date) defaults or events of default or that the exercise of such enforcement remedies is effectively stayed as a result of any applicable subordination and other agreements; and (d) the payment of the fees and expenses of the Lender in accordance with Section 8 of this Agreement.

Section 13. No Other Modifications Of Loan Documents. The Obligors acknowledge that except as expressly provided for herein, the Parties have not agreed to any other amendments or modifications of the Loan Documents. In the event of any conflict between the stated terms of the Loan Documents and the terms of this Agreement, the terms of this Agreement shall control.

Section 14. No Prejudice To Rights Of KeyBank National Association. The Parties acknowledge that the execution and delivery by KeyBank National Association ("KeyBank") of this Agreement shall not constitute (a) any admission against interest of any kind by KeyBank, (b) have any effect, direct or indirect, upon any rights or remedies asserted from time to time by KeyBank or any of the KeyBank Lenders arising out of or related to the KeyBank Notice or any of the events described in the KeyBank Notice, (c) have any effect, direct or indirect, upon the "Loan Agreement" (as defined in the KeyBank Notice) or the rights of KeyBank or the KeyBank Lenders thereunder, or (d) constitute any waiver or estoppel against KeyBank or the KeyBank Lenders with respect to the KeyBank Notice and the events described therein or constitute any agreement (express or implied) of KeyBank or the KeyBank Lenders to take or not take any action with respect to the KeyBank Notice and the events described therein.

Section 15. No Novation; No Refinance. It is the intention of the Parties that nothing contained in this Agreement shall be deemed to accomplish or constitute a novation of any of the obligations or duties owed by any of the Obligors to the Lender or of any of the Loan Documents or to be a refinance of the Loan.

Section 16. Subordination. The Obligors agree that any current or future loans or other obligations owed by the Borrower to the Guarantors are hereby subordinated in right of payment and enforcement to the repayment in full and enforcement of all obligations owed by the Borrower to the Lender.

Section 17. Further Assurances. Each of the Obligors agrees to execute and deliver to the Lender such other documents as may, from time to time, be reasonably requested by the Lender in order to execute upon or enforce the terms and conditions of this Agreement or of any of the Loan Documents.

Section 18. Enforceability. This Agreement shall inure to the benefit of and be enforceable against each of the Parties and their respective successors and assigns.

Section 19. Choice Of Law; Consent To Jurisdiction; Agreement As To Venue. This Agreement shall be construed, performed and enforced and its validity and enforceability determined in accordance with the laws of the State of Maryland (excluding conflict of laws principles). Each of the Obligors consents to the jurisdiction of the courts of the State of Maryland and, if a basis for federal jurisdiction exists, to the

jurisdiction of the United States District Court for the District of Maryland. Each of the Obligors waives any right to object to the maintenance of a suit by the Lender in any of the state or federal courts located anywhere in the State of Maryland on the basis of improper venue or inconvenience of forum.

Section 20. Amendment. This Agreement may be amended only by a writing executed by all of the Parties.

Section 21. Time. Time is of the essence to this Agreement.

Section 22. Waivers; Course of Conduct. No failure or delay by the Lender in the exercise or enforcement of any of its rights under any Loan Document shall be a waiver of such right or remedy nor shall a single or partial exercise or enforcement thereof preclude any other or further exercise or enforcement thereof or the exercise or enforcement of any other right or remedy. The Lender may at any time or from time to time waive the compliance by the Obligors with any of the provisions of the Loan Agreement, this Agreement or any of the other Loan Documents, but any such waiver must be specific and in writing to be binding upon the Lender and no such waiver (including the waivers provided by this Agreement) shall constitute, unless specifically so expressed by the Lender in writing, a future waiver of performance or exact performance by the Obligors. No notice to or demand upon any Obligor in any instance shall entitle any Obligor to any other or further notice or demand in the same, similar or other circumstance.

Section 23. Obligations Unconditional. The obligations of the Obligors set forth in this Agreement and as required by the terms of the Loan Documents are absolute and unconditional, and are independent of any defense or rights of set-off, recoupment or counterclaim which any of the Obligors might have or ever had against the Lender. Each of the Obligors agrees that all payments required hereunder and/or by the Loan Documents shall be made free of any deductions and without abatement, diminution or set-off.

Section 24. **RELEASE. IN ORDER TO INDUCE THE LENDER TO ENTER INTO THIS AGREEMENT, EACH OF THE OBLIGORS FOREVER RELEASES AND DISCHARGES THE LENDER AND EACH PARTICIPANT WITH THE LENDER IN THE LOAN THAT HOLDS ANY INTEREST IN THE LOAN AND THE RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS, ADVISORS, AND AGENTS OF THE LENDER AND OF EACH PARTICIPANT WITH THE LENDER IN THE LOAN (COLLECTIVELY, THE "RELEASED PARTIES") FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, SUITS AND DAMAGES (INCLUDING CLAIMS FOR ATTORNEYS' FEES AND COSTS) WHICH IT, JOINTLY OR SEVERALLY, EVER HAD OR MAY NOW HAVE AGAINST ANY OF THE RELEASED PARTIES FOR ANY MATTER, INCLUDING WITHOUT LIMITATION ANY CLAIMS ARISING OUT OF OR RELATED IN ANY WAY TO THE LOAN, THE LOAN DOCUMENTS, THE COLLATERAL FOR THE LOAN, THIS AGREEMENT OR THE ADMINISTRATION THEREOF, WHETHER KNOWN OR UNKNOWN, INCLUDING BUT NOT LIMITED TO ANY AND ALL CLAIMS BASED UPON OR RELYING ON ANY ALLEGATIONS OR ASSERTIONS OF DURESS, ILLEGALITY, UNCONSCIONABILITY, BAD FAITH, BREACH OF CONTRACT, REGULATORY VIOLATIONS, NEGLIGENCE, MISCONDUCT, OR ANY OTHER TORT, CONTRACT OR REGULATORY CLAIM OF ANY KIND OR NATURE. THIS RELEASE IS INTENDED TO BE FINAL AND IRREVOCABLE AND IS NOT SUBJECT TO THE SATISFACTION OF ANY CONDITIONS OF ANY KIND.**

Section 25. Waiver Of Jury Trial. Each of the Parties agrees that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by it or by any of its successors or assigns, on or with respect to this Agreement, the Loan (or the administration thereof), or any of the other Loan Documents, or which in any way relates, directly or indirectly, to its obligations to any other Party, shall be tried by a court and

not by a jury. **EACH OF THE PARTIES TO THIS AGREEMENT EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING.**

Section 26. Execution in Counterparts; Delivery. This Agreement may be executed and delivered by the Parties in counterparts. Executed counterparts of this Agreement may be delivered electronically.

[Signatures Begin on Next Page]

Signature Page to Forbearance Agreement

IN WITNESS WHEREOF, the undersigned Parties have executed this Agreement to be effective as of the above stated Effective Date.

Borrower:

NOVI CAMPUS, LLC,
a Maryland limited liability company

By: Erickson Retirement Communities, LLC
Member

By: _____
Name: Gerald F. Doherty
Title: Executive Vice President

Guarantors:

ERICKSON RETIREMENT COMMUNITIES, LLC,
a Maryland limited liability company

By: _____
Name: Gerald F. Doherty
Title: Executive Vice President

ERICKSON GROUP, LLC,
a Maryland limited liability company

By: _____
Name: Gerald F. Doherty
Title: Secretary

[Signatures Continued on Next Page]

Signature Page to Forbearance Agreement

IN WITNESS WHEREOF, the undersigned has executed this Agreement to be effective as of the above stated Effective Date.

Lender:

PNC BANK, NATIONAL ASSOCIATION

By: _____
Name: Sean Schroeder
Title: AVP

[Signatures Continued on Next Page]

Signature Page to Forbearance Agreement

Consent of Participant

The undersigned participant with the Lender in the Loan consents to the terms and conditions of the above-stated Forbearance Agreement and to the execution and delivery of such Forbearance Agreement by the Lender.

BANK OF AMERICA, N.A.,
Successor to LaSalle Bank, National Association

By: _____
Name: CHRA FORREST
Title: VICE PRESIDENT

[Signatures Continued on Next Page]

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Signature Page to Forbearance Agreement

Consent of Participant

The undersigned participant with the Lender in the Loan consents to the terms and conditions of the above-stated Forbearance Agreement and to the execution and delivery of such Forbearance Agreement by the Lender.

THE COLUMBIA BANK

By: Mary Ellen Lewis, VP
Name: MARY ELLEN LEWIS
Title: VICE PRESIDENT

[Signatures Continued on Next Page]

Signature Page to Forbearance Agreement

Consent of Participant

The undersigned participant with the Lender in the Loan consents to the terms and conditions of the above-stated Forbearance Agreement and to the execution and delivery of such Forbearance Agreement by the Lender.

CHESAPEAKE BANK OF MARYLAND

By: _____
Name: _____
Title: _____

[Signatures Continued on Next Page]

Signature Page to Forbearance Agreement

Consent of Participant

The undersigned participant with the Lender in the Loan consents to the terms and conditions of the above-stated Forbearance Agreement and to the execution and delivery of such Forbearance Agreement by the Lender.

KEYBANK NATIONAL ASSOCIATION, Successor to Key Corporate Capital Inc.

By: _____

Name: John L Kelser

Title: SVP

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Execution Version

SECOND FORBEARANCE AGREEMENT
(NOVI Campus, LLC)

THIS SECOND FORBEARANCE AGREEMENT ("Agreement") is made to be effective as of 12:00 PM (EST) on the 10th day of July, 2009 (the "Effective Date"), by and between PNC BANK, NATIONAL ASSOCIATION, successor to Mercantile-Safe Deposit and Trust Company (the "Lender"); NOVI CAMPUS, LLC (the "Borrower"); and ERICKSON RETIREMENT COMMUNITIES, LLC ("ERC") and ERICKSON GROUP, LLC (collectively, the "Guarantors"). Hereafter, the Borrower and the Guarantors are collectively referred to as the "Obligors" and the Lender and the Obligors are collectively referred to as the "Parties".

RECITALS

The Lender is the holder of a loan facility ("Loan") evidenced inter alia by a Revolving Loan Note ("Note") dated as of February 12, 2002 in the originally stated principal amount of Forty Six Million Dollars ($46,000,000.00), and a Construction Loan Agreement dated as of February 12, 2002 (as amended and modified, the "Loan Agreement"). The Lender and the Obligors entered into an Extension And Modification Agreement dated to be effective as of January 30, 2009 ("First Extension"), a Second Extension And Modification Agreement ("Second Extension") dated to be effective as of April 30, 2009, a Third Extension And Standstill Agreement dated to be effective as of June 1, 2009 ("Standstill Agreement"); and a Forbearance Agreement dated to be effective as of June 30, 2009 ("First Forbearance Agreement"). All terms not otherwise defined in this Agreement shall have the same meanings ascribed to them in the Loan Agreement. Hereafter, the First Extension, the Second Extension, the Standstill Agreement and the First Forbearance Agreement are collectively referred to as the "Additional Agreements".

By Guaranty Agreement dated February 12, 2002 (the "Guaranty"), the Guarantors guaranteed to the Lender inter alia the payment and performance by the Borrower of all of the Borrower's obligations under the Loan Agreement.

The Lender sold undivided ownership interests in the Loan to certain other financial institutions (collectively, the "Participants") in accordance with certain Participation Agreements (collectively, the "Participation Agreements").

The Lender agreed in accordance with the terms of the First Forbearance Agreement inter alia to forbear from exercising its enforcement rights and remedies arising as a result of the "Forbearance Events of Default" (as defined in the First Forbearance Agreement) for the period ending on July 10, 2009.

The Obligors have requested that the Lender continue to forbear during the "Forbearance Period" (hereafter defined) from exercising against the Obligors the default, enforcement and collection rights and remedies (collectively, the "Remedies") available to the Lender in accordance with the terms of the Loan Documents, the Guaranty, the Additional Agreements and as otherwise available under applicable laws solely as a result of the occurrence of and continuation of the "Second Forbearance Events of Default" (as defined below).

The Lender has agreed to forbear from exercising during the Forbearance Period the Remedies that would otherwise be immediately exercisable against the Obligors as a result of the Second Forbearance Events of Default provided that the Obligors execute and deliver this Agreement and comply with the terms and conditions set forth herein. The Lender has not agreed to waive, extend, excuse or modify any payment obligations of the Obligors, including without limitation the obligation of the Borrower to pay accrued interest when and as due in accordance with the terms of the Note.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

Section 1. Recitals. The Obligors acknowledge that the Recitals set forth above are true and accurate. Each of the Recitals is incorporated into this Agreement by reference and is made a part hereof.

Section 2. Acknowledgment Of Obligations. The Obligors acknowledge that: (a) the Loan Documents are the valid and binding obligations of the Obligors that are parties thereto, and are fully enforceable in accordance with all stated terms; (b) the duties and obligations of each of the Obligors to pay and perform its respective obligations to the Lender in accordance with the terms of the Loan Documents are not subject to any set-offs, defenses or counterclaims; and (c) in the absence of this Agreement, the Lender would have the immediate and unconditional right to exercise the Remedies against the Obligors.

Section 3. Agreement to Forbear. Subject to the continuing compliance of the Obligors with all of the terms of this Agreement, the Lender agrees to forbear during the Forbearance Period from exercising the Remedies which the Lender is otherwise entitled to exercise solely as a result of the occurrence and continuation of any of the following events and conditions (collectively, the "Second Forbearance Events of Default"):

Section 3.1. Failure to Pay Interest. The failure of the Borrower to pay interest upon the Loan during the Forbearance Period, when and as due. The Obligors acknowledge and agree that: (a) the Lender is not waiving, excusing, amending, agreeing to postpone or otherwise agreeing or consenting to any delay in the performance of any contractual obligations of the Borrower under the Loan Documents to pay interest or any other sums when and as due in strict accordance with the stated terms of the Loan Documents; and (b) the Lender is merely agreeing in this Section 3.1 to forbear during the Forbearance Period from exercising Remedies which would otherwise be exercisable during the Forbearance Period by the Lender as a result of the non-payment of interest during the Forbearance Period.

Section 3.2. Failure To Repay Loan On Maturity Date. The failure of the Borrower to repay the Loan in full on the Maturity Date when and as due, provided, however, the Lender is not waiving, excusing, amending, agreeing to postpone or otherwise agreeing or consenting to any delay in the repayment of the Loan in strict accordance with the stated terms of the Loan Documents and is merely agreeing in this Section 3.2 to forbear during the Forbearance Period from exercising Remedies which would otherwise be exercisable during the Forbearance Period by the Lender as a result of the non-payment of the Loan on the Maturity Date.

Section 3.3. Cross Default. A default or cross-default under any other indebtedness (whether direct or indirect, including all duties or obligations owed under any guarantys) of any of the Obligors; provided, however, that the holders of any such indebtedness do not exercise, institute or commence any enforcement proceedings, collection actions, rights of offset or other remedies against any of the Obligors or their respective assets, excepting and excluding only any "Excluded Actions" (as defined below). As used herein, the term "Excluded Actions" means collectively the following: (a) any deed in lieu of foreclosure transactions, "friendly foreclosure proceedings" or other similar consensual transactions with respect to the sale or transfer of the real property securing the loans ("Land Loans") outstanding to Charlotte Campus, LLC, St. Louis Campus, LLC and Westminster Campus, LLC; (b) the appointment of a receiver and/or the initiation of foreclosure proceedings for the collateral securing credit facilities to Columbus Campus, LLC ("Columbus Facilities"); or (c) the filing of a confession of judgment by the holders of the Columbus Facilities against ERC but only to the extent that such holders do not enforce such confession of judgment and any such judgment obtained by confession is (i) not filed, registered or recorded in a jurisdiction where ERC is the record title

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holder of any real property interests and (ii) does not establish any liens upon any assets of ERC). For the avoidance of doubt, the Parties acknowledge and agree that the exercise of any enforcement proceedings, collection remedies, rights of offset or other remedies of any kind (other than the exercise, institution or commencement of any Excluded Actions) by any holder of any indebtedness (including indebtedness arising from guarantys) of any of the Obligors against any of the Obligors or their assets shall automatically and without further notice cause an immediate termination of the Forbearance Period and the Lender automatically shall be entitled to exercise immediately all available Remedies against the Obligors and their assets without any demand or notice to the Obligors of any kind.

Section 3.4. Liquidity Covenant. A breach of the liquidity covenant set forth in Section 8.18 of the Loan Agreement or the occurrence of an Event of Default under Section 9.1(v).

Section 3.5. Other Specified Defaults. The "Existing Violations", as such term is defined in the Second Extension, the "Standstill Events", as such term is defined in the Standstill Agreement, the "Forbearance Events of Default", as such term is defined in the First Forbearance Agreement, and the "Existing Events of Default", as such term is defined in a Reservation of Rights Letter dated July 2, 2009 from counsel for the Lender to the Obligors.

Section 4. Forbearance Period. The "Forbearance Period" is that period of time which commences on July 10, 2009 at 12:00 pm (EST) and ends on that date ("Termination Date") which is the earlier of: (a) 12:00 pm (EST) on September 18, 2009; or (b) the date of the occurrence of any Events of Default (other than the Second Forbearance Events of Default).

Section 5. Preservation of Second Forbearance Events of Default; No Modification of Borrower's Payment Obligations. The Obligors acknowledge and agree that the Lender is not waiving or excusing any of the Second Forbearance Events of Default and that the Second Forbearance Events of Default and the rights of the Lender to exercise the Remedies are preserved and shall survive the execution and delivery of this Agreement by the Parties. The Obligors further acknowledge and agree that: (a) the Lender may commence the exercise of any or all of the Remedies on the Termination Date without any notice or demand; (b) the execution and delivery of this Agreement by the Lender does not establish and is not intended to establish any course of dealing between the Lender and the Obligors or create any obligation or agreement of the Lender with respect to any future restructuring, modification, amendment, waiver, extension, or forbearance with respect to the Loan or any of the Loan Documents; (c) the Lender has not agreed to forbear or standstill during the Forbearance Period from exercising any enforcement rights and remedies arising as the result of the occurrence or existence of any Defaults, Events Of Default or other events or occurrences other than the Second Forbearance Events of Default; and (d) **THE LENDER IN ENTERING INTO THIS AGREEMENT AND IN AGREEING TO FORBEAR FROM IMMEDIATELY EXERCISING THE REMEDIES ARISING AS A RESULT OF THE OCCURRENCE OF THE SECOND FORBEARANCE EVENTS OF DEFAULT HAS NOT WAIVED, AMENDED, POSTPONED, EXCUSED OR AGREED TO DELAY ANY OBLIGATION OF THE OBLIGORS, INCLUDING WITHOUT LIMITATION ANY OBLIGATION TO PAY ALL SUMS (INCLUDING PRINCIPAL, INTEREST, FEES AND EXPENSES PAYABLE TO THE LENDERS IN STRICT ACCORDANCE WITH THE EXPRESS TERMS OF THE LOAN DOCUMENTS (OTHER THAN WITH RESPECT TO THE PAYMENT OF "REIMBURSEABLE PROFESSIONAL FEES" AS PROVIDED IN SECTION 13 OF THIS AGREEMENT)), WHEN AND AS DUE.**

Section 6. Funding. All operating and marketing costs of the Borrower and of the Tenant will be funded directly by ERC, to the extent that such costs are not paid with the use of the operating revenues of the Borrower and of the Tenant, respectively. The Obligors acknowledge and agree that Initial Entry Deposits

shall not be applied to the funding of the operating costs of either the Borrower or the Tenant but shall instead be applied to the unpaid principal balance of the Loan.

Section 7. Payments and Advances. The Obligors agree that any repayments of the Loan that are applied by the Lenders as principal repayments shall permanently reduce the aggregate unpaid principal balance of the Loan and permanently reduce the Committed Amounts and the Lenders shall have no obligation to readvance (as proceeds of the Loan, Letters of Credit or otherwise) to the Borrower any of such principal repayments. During the Forbearance Period, the Borrower will not request, and the Lenders will not fund or issue (as applicable), advances of proceeds of the Loan or Letters of Credit.

Section 8. Payments to The Guarantors Or To Any Of The Affiliates Or Subsidiaries Of The Guarantors. The Obligors agree that: (a) the Borrower will not pay any payments or distributions (collectively, the "Payments") to the Guarantors or to their Subsidiaries or affiliates, including without limitation any payments of management fees or development fees (if payable by the Borrower), reimbursements of corporate overhead, "indirect departmentals," "indirect purchased services," and other reimbursements; and (b) the Guarantors will not accept any Payments from the Borrower.

Section 9. Forbearance Fee. The Obligors agree to pay to the Lender a forbearance fee ("Forbearance Fee") in that amount which is equal to 2% of the unpaid principal balance of the Loan as of the Effective Date. The Obligors acknowledge and agree that the Forbearance Fee shall be fully earned by the Lender upon the execution and delivery by the Lender of this Agreement. The Forbearance Fee shall be deemed payable at the Termination Date, or on any earlier date on which the Loan is accelerated and demand for mandatory repayment has been made in accordance with the terms of the Loan Agreement and the other Loan Documents.

Section 10. Deliverables. The Obligors shall provide the following deliverables (collectively, the "Deliverables") to the Lender at the following times:

Section 10.1. Construction Certification and Lien Releases. Not later than August 1, 2009 the Borrower shall certify in writing to the Lender either (a) the status of completion of all pending construction, or (b) that all previously initiated construction on the Property has been completed and that all related costs and expenses have been paid. The Borrower shall provide the Lender with such lien releases and other evidence of payment as may be reasonably required by the Lender.

Section 10.2. Restructuring Information. As soon as possible, and in any event no later than August 21, 2009, the Obligors shall deliver to the Lender updated, detailed information on the long term restructuring (including a balance sheet restructuring), business and financial plans of the Obligors, including, without limitation: (a) a timeline of events and the proposed use of liquidity (cash or investments) to be provided by the Obligors to effectuate such restructuring plans during the longer of (i) the remainder of calendar year 2009 and 2010 or (ii) the time period under which a restructuring would be effectuated; (b) proposed build-out plans for the Borrower (and the related capital costs) for the remainder of 2009 and 2010, if any; and (c) estimated management and development fees that are projected to be payable by the Borrower (including amounts and timing of payments) taking into consideration the proposed restructuring plans above.

Section 10.3. Draft Financial Statement. On or before a date acceptable to the Lender, the Obligors shall deliver a draft annual consolidated and consolidating financial statement for ERC and its subsidiaries for the 2008 fiscal year.

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Section 10.4. Updated Plan and Assessments. On or before August 21, 2009, the Obligors shall deliver to the Lender an updated, detailed, long-term restructuring, business and financial plan for the Project and the Obligors, to the extent necessary to reflect any change in circumstances or facts since such business and financial plans were initially delivered on June 22, 2009, prepared on both an individual and consolidated basis which such plan shall include, without limitation, a net value estimate with respect to further construction at the Project, an estimated timeline with respect to the recovery of such value, a full assessment and determination as to the suitability of the NSC Offer, any offer to purchase, and the offers of the New Money Investor or any other party who has made a good faith offer to invest in the Obligors and their Subsidiaries and affiliates, a plan to satisfy the Loan and the Guaranty, and a full valuation of any equity interests offered to the Lender as a part of any restructuring plan.

Section 10.5. Weekly Information. Commencing immediately, the Borrower will provide to the Lender, on each successive Tuesday, (i) an occupancy report for the Project, which report shall account for attrition attributable to the loss of Residents, in a form acceptable to the Lender and (ii) a detailed marketing and sales report of the Project, in a form acceptable to the Lender.

Section 10.6. Submissions Required By The Revolver Forbearance Agreement. Copies of such information, "Additional Information" and "Milestones" as required by the terms of the "Revolver Forbearance Agreement" (as defined below) when and as delivered to the "Revolver Lenders" (as defined below).

Section 10.7. Other Reporting Requirements. The Obligors will continue to comply with all of the reporting requirements required by the Loan Agreement, the other Loan Documents, and the Additional Agreements.

Section 11. No New Construction. The Borrower agrees that it will not commence any new construction of the Project during the Forbearance Period.

Section 12. Additional Events of Default. In addition to all events and conditions which are Events of Default under the Loan Agreement and the other Loan Documents, the following events or conditions shall be additional Events of Default:

Section 12.1. Governmental Actions. The action by any governmental authority which has a material adverse effect, or is likely to have a material adverse effect, upon the continued operation of the Property as a continuing care retirement community;

Section 12.2. Violation of This Agreement. The failure of any of the Obligors to comply with any covenant or requirement of this Agreement; and

Section 12.3. Failure of Guarantors to Provide Funding. The failure of the Guarantors to provide the funding required by Section 8 of this Agreement.

Section 12.4. Enforcement Actions. The exercise by any holder of indebtedness (including holders of guarantys) of any Obligor of any enforcement or collection rights or remedies, including without limitation the exercise of any rights of setoff against any of the Obligors or against any of their respective assets, except for Excluded Actions.

Section 13. Reimbursement of Professional Fees. The Obligors shall reimburse the Lender on the date of the execution of this Agreement by the Obligors in immediately available funds for the unreimbursed reasonable fees and expenses of counsel and of MGBD (collectively, the "Reimburseable Professional Fees")

incurred by the Lender in connection with the Loan through and including the Effective Date. The Lender agrees that the Obligors may elect to accrue, in lieu of paying in cash, the reimbursement obligations of the Obligors to the Lender for Reimburseable Professional Fees incurred after July 11, 2009 through the Termination Date. All unreimbursed Reimburseable Professional Fees shall be reimbursed in full to the Lender in immediately available funds on the Termination Date.

Section 14. Security. The obligations of the Obligors to pay and perform their respective obligations under the Loan Documents to the Lender shall continue to be secured by the liens, assignments, pledges and security interests described and provided for in the Loan Documents, all of which are hereby ratified and confirmed by the Obligors.

Section 15. Representations and Warranties. Each of the Obligors represents and warrants the following:

Section 15.1. Accuracy of Information. All information and data submitted by or on behalf of the Obligors in connection with this Agreement and the transactions contemplated herein, is true, accurate and complete in all material respects as of the date made and contains no knowingly false, incomplete or misleading statements.

Section 15.2. Authorization. The making and performance of this Agreement by the Obligors will not: (a) violate the respective organizational documents of any of the Obligors; (b) violate any laws or result in a default under any contract, agreement, or instrument to which any of the Obligors is a party or by which any of the Obligors or any of their respective properties are bound; or (c) result in the creation or imposition of any security interest in, or lien or encumbrance upon, the assets of any of the Obligors except in favor of the Lender.

Section 15.3. Organization. The Borrower is a Maryland limited liability company duly organized, validly existing, and in good standing under the laws of the State of Maryland, and is qualified to do business in each jurisdiction in which the nature of its business or its assets require qualification.

Section 15.4. Taxes. The Obligors are current in their respective tax payment obligations to all applicable taxing authorities, except to the extent that any such obligations are being contested in good faith.

Section 15.5. Judgments. There are no outstanding judgments or tax liens against any of the Obligors or their respective assets other than inchoate liens for taxes, assessments or similar charges that are not yet due and payable.

Section 15.6. Pending Litigation. Except as set forth on Schedule 10.6 attached to the Standstill Agreement and except for the above described litigation concerning the Columbus Facilities, there are no actions, suits, investigations or proceedings pending or, to the knowledge of the Obligors, threatened against any of the Obligors, or against any of the collateral securing the Loan.

Section 15.7. Existing Liens. The Lender holds duly perfected liens and security interests in and to the assets of the Borrower as required by the terms and conditions of the Loan Documents with such lien priorities as required by the Loan Documents, which liens and security interests shall survive intact the transactions contemplated by this Agreement in the same lien priority existing immediately prior to the Effective Date.

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Section 16. Payments Upon Subordinated Obligations. The Borrower acknowledges that it has ceased making payments upon the "Subordinated Obligations" (as defined in a Ground Lessor Tri-Party Agreement dated February 28, 2003 by and between CNL Retirement ERC, LP, CNL Retirement Partners, LP, and the Lender, as successor to Mercantile-Safe Deposit And Trust Company). The Borrower agrees that it will not make any payments upon the Subordinated Obligations during the Forbearance Period.

Section 17. No Further Notice And Cure Rights During The Forbearance Period. The Obligors hereby waive during the Forbearance Period all notices of default and cure rights set forth in the Loan Documents. The Obligors acknowledge that the Lender shall have no obligation during the Forbearance Period to provide any notice to the Obligors of any Defaults or Events Of Default or other violations of the terms of the Loan Documents prior to exercising any enforcement rights and remedies and the Obligors shall have no cure rights during the Forbearance Period with respect to any Defaults or Events Of Default or other violations of the terms of the Loan Documents

Section 18. No Prejudice To Rights Of KeyBank National Association. The Parties acknowledge that the execution and delivery by KeyBank National Association ("KeyBank") of this Agreement shall not constitute (a) any admission against interest of any kind by KeyBank, (b) have any effect, direct or indirect, upon any rights or remedies asserted from time to time by KeyBank or any of the KeyBank Lenders arising out of or related to the KeyBank Notice or any of the events described in the KeyBank Notice, (c) have any effect, direct or indirect, upon the "Loan Agreement" (as defined in the KeyBank Notice) or the rights of KeyBank or the KeyBank Lenders thereunder, or (d) constitute any waiver or estoppel against KeyBank or the KeyBank Lenders with respect to the KeyBank Notice and the events described therein or constitute any agreement (express or implied) of KeyBank or the KeyBank Lenders to take or not take any action with respect to the KeyBank Notice and the events described therein.

Section 19. Conditions Precedent to Effectiveness of This Agreement. The Obligors acknowledge and agree that this Agreement shall not be effective and binding upon the Lender until: (a) the Agent is in receipt of duly executed counterparts of this Agreement from the Agent, each of the Obligors, and from such Lenders which are sufficient in the aggregate to constitute a valid consent of the Lenders in accordance with the terms of the Loan Agreement; (b) the receipt by the Agent of satisfactory evidence of agreements (collectively, the "Project Forbearance Agreements") pursuant to which the holders of other project financings guaranteed by ERC (other than the holders of the Land Loans and the holders of the Columbus Facilities) have agreed to forbear from exercising enforcement remedies through 12:00 pm September 18, 2009 (subject to earlier termination in accordance with the terms of such agreements); (c) the Agent is in receipt of satisfactory evidence that the Lenders to a Credit Agreement dated as of June 27, 2007, as amended, by and between ERC, various affiliates of ERC, the financial institutions that are parties thereto ("Revolver Lenders") and Wilmington Trust, FSB, successor to Mercantile-Safe Deposit And Trust Company as administrative agent for the Revolver Lenders have entered into an agreement ("Revolver Forbearance Agreement") pursuant to which the Revolver Lenders have agreed, on terms which are not in conflict with either the terms of this Agreement or with any of the terms of any of the Project Forbearance Agreements, to waive or forbear from exercising their enforcement rights or remedies arising as a result of any existing defaults through 12:00 pm September 18, 2009 (subject to earlier termination in accordance with the terms of such Revolver Forbearance Agreement); and (d) the Obligors shall have reimbursed the Agent in immediately available funds for all reasonable Reimburseable Professional Fees incurred through the Effective Date.

Section 20. No Other Modifications Of Loan Documents. The Obligors acknowledge that except as expressly provided for herein, the Parties have not agreed to any other amendments or modifications of the Loan Documents. In the event of any conflict between the stated terms of the Loan Documents or the Additional Agreements and the terms of this Agreement, the terms of this Agreement shall control.

Section 21. No Novation; No Refinance. It is the intention of the Parties that nothing contained in this Agreement shall be deemed to be a refinance of the Loan, or to accomplish or constitute a novation of any of the Loan Documents or of the obligations or duties owed by either of the Obligors to the Lender.

Section 22. Subordination. The Obligors agree that any current or future loans or other obligations owed by the Borrower to the Guarantors are hereby subordinated in right of payment and enforcement to the repayment in full and enforcement of all obligations owed by the Borrower to the Lender.

Section 23. Further Assurances. Each of the Obligors agrees to execute and deliver to the Lender such other documents as may, from time to time, be reasonably requested by the Lender in order to execute upon or enforce the terms and conditions of this Agreement, or any of the Loan Documents.

Section 24. Enforceability. This Agreement shall inure to the benefit of and be enforceable against each of the Parties and their respective successors and assigns.

Section 25. Choice Of Law; Consent To Jurisdiction; Agreement As To Venue. This Agreement shall be construed, performed and enforced and its validity and enforceability determined in accordance with the laws of the State of Maryland (excluding conflict of laws principles). Each of the Obligors consents to the jurisdiction of the courts of the State of Maryland and, if a basis for federal jurisdiction exists, the jurisdiction of the United States District Court for the District of Maryland. Each of the Obligors waives any right to object to the maintenance of a suit by the Lender in any of the state or federal courts located anywhere in the State of Maryland on the basis of improper venue or inconvenience of forum.

Section 26. Time. Time is of the essence to this Agreement.

Section 27. Waivers; Course of Conduct. No failure or delay by the Lender in the exercise or enforcement of any of their rights under any of the Loan Documents shall be a waiver of such right or remedy nor shall a single or partial exercise or enforcement thereof preclude any other or further exercise or enforcement thereof or the exercise or enforcement of any other right or remedy. The Lender may at any time waive the compliance by the Obligors with any of the provisions of the Loan Agreement or any of the other Loan Documents, but any such waiver must be specific and in writing to be binding upon the Lender and no such waiver (including the waivers provided by this Agreement) shall constitute, unless specifically so expressed by the Lender in writing, a future waiver of performance or exact performance by the Obligors. No notice to or demand upon any Obligor in any instance shall entitle any Obligor to any other or further notice or demand in the same, similar or other circumstance.

Section 28. Obligations Unconditional. The obligations of the Obligors set forth in this Agreement and as required by the terms of the Loan Documents are absolute and unconditional, and are independent of any defense or rights of set-off, recoupment or counterclaim which any of the Obligors might have or ever had against any of the Lender. Each of the Obligors agrees that all payments required hereunder or by the Loan Documents shall be made free of any deductions and without abatement, diminution or set-off.

Section 29. **RELEASE. IN ORDER TO INDUCE THE LENDER TO ENTER INTO THIS AGREEMENT, EACH OF THE OBLIGORS FOREVER RELEASES AND DISCHARGES THE LENDER, EACH OF THE PARTICIPANTS AND THE RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS, ADVISORS, AND AGENTS OF THE LENDER AND THE PARTICIPANTS (COLLECTIVELY, THE "RELEASED PARTIES") FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, SUITS AND DAMAGES (INCLUDING CLAIMS FOR ATTORNEYS' FEES AND COSTS) WHICH IT, JOINTLY OR SEVERALLY, EVER HAD OR MAY NOW HAVE AGAINST ANY OF THE RELEASED PARTIES FOR ANY MATTER, INCLUDING**

WITHOUT LIMITATION ANY CLAIMS ARISING OUT OF OR RELATED IN ANY WAY TO THE LOAN, THE LOAN DOCUMENTS, THE COLLATERAL FOR THE LOAN, THIS AGREEMENT OR THE ADMINISTRATION THEREOF, WHETHER KNOWN OR UNKNOWN, INCLUDING BUT NOT LIMITED TO ANY AND ALL CLAIMS BASED UPON OR RELYING ON ANY ALLEGATIONS OR ASSERTIONS OF DURESS, ILLEGALITY, UNCONSCIONABILITY, BAD FAITH, BREACH OF CONTRACT, REGULATORY VIOLATIONS, NEGLIGENCE, MISCONDUCT, OR ANY OTHER TORT, CONTRACT OR REGULATORY CLAIM OF ANY KIND OR NATURE. THIS RELEASE IS INTENDED TO BE FINAL AND IRREVOCABLE AND IS NOT SUBJECT TO THE SATISFACTION OF ANY CONDITIONS OF ANY KIND.

Section 30. Waiver Of Jury Trial. Each of the Parties agrees that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by it or by any of its successors or assigns, on or with respect to this Agreement, the Loan (or the administration thereof), or any of the Loan Documents, or which in any way relates, directly or indirectly, to its obligations to any other Party, shall be tried by a court and not by a jury. **EACH OF THE PARTIES TO THIS AGREEMENT EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING.**

Section 31. Execution in Counterparts; Delivery. This Agreement may be executed and delivered by the Parties in counterparts. Executed counterparts of this Agreement may be delivered electronically.

[Signatures Begin on Next Page]

Signature Page to Second Forbearance Agreement

IN WITNESS WHEREOF, the undersigned Parties have executed this Second Forbearance Agreement to be effective as of the above stated Effective Date.

Borrower:

NOVI CAMPUS, LLC,
a Maryland limited liability company

By: Brickson Retirement Communities, LLC
Member

By: _____
Name: Adam Kane
Title: Vice President

Guarantors:

ERICKSON RETIREMENT COMMUNITIES, LLC,
a Maryland limited liability company

By: _____
Name: Adam Kane
Title: Vice President

ERICKSON GROUP, LLC,
a Maryland limited liability company

By: _____
Name: Gerald F. Doherty
Title: Secretary

[Signatures Continued on Next Page]

Signature Page to Second Forbearance Agreement

IN WITNESS WHEREOF, the undersigned has executed this Second Forbearance Agreement to be effective as of the above stated Effective Date.

Lender:

PNC BANK, NATIONAL ASSOCIATION

By: _____
Name: **Wendy M. Andrus**
Title: **Vice President**

[Signatures Continued on Next Page]

Bank Of America - CD#13 - Control ID#1133

Signature Page to Second Forbearance Agreement

Consent of Participant

The undersigned participant with the Lender in the Loan consents to the terms and conditions of the above-stated Second Forbearance Agreement and to the execution and delivery of such Second Forbearance Agreement by the Lender.

BANK OF AMERICA, N.A.,
Successor to LaSalle Bank, National Association

By: _____
Name: CLARA FORREST
Title: VICE PRESIDENT

[Signatures Continued on Next Page]

Bank Of America - CD#13 - Control ID#1133

Signature Page to Second Forbearance Agreement

Consent of Participant

The undersigned participant with the Lender in the Loan consents to the terms and conditions of the above-stated Second Forbearance Agreement and to the execution and delivery of such Second Forbearance Agreement by the Lender.

THE COLUMBIA BANK

By: _____
Name: MARY ELLEN LEWIS
Title: VICE PRESIDENT

[Signatures Continued on Next Page]

Signature Page to Second Forbearance Agreement

Consent of Participant

The undersigned participant with the Lender in the Loan consents to the terms and conditions of the above-stated Second Forbearance Agreement and to the execution and delivery of such Second Forbearance Agreement by the Lender.

CHESAPEAKE BANK OF MARYLAND

By: _____
Name: Thomas T. Allen
Title: SVP

[Signatures Continued on Next Page]

Bank Of America - CD#13 - Control ID#1133

Signature Page to Second Forbearance Agreement

Consent of Participant

The undersigned participant with the Lender in the Loan consents to the terms and conditions of the above-stated Second Forbearance Agreement and to the execution and delivery of such Second Forbearance Agreement by the Lender.

KEYBANK NATIONAL ASSOCIATION, Successor to Key Corporate Capital Inc.

By: _____
Name: _____
Title: _____

EXHIBIT 2

"Revolving Loan Note"

Revolving Loan Note

Document: 1.3

February 12 , 2002 $46,000,000.00

REVOLVING LOAN NOTE

FOR VALUE RECEIVED, the undersigned (hereinafter, the "Borrower") promises to pay to the order of Mercantile-Safe Deposit and Trust Company (the "Lender") at the Lender's offices at Two Hopkins Plaza, Baltimore, Maryland, 21201 or at such other place as the holder of this Note may from time to time designate, the principal sum of Forty-Six Million Dollars ($46,000,000.00) (or so much thereof as has been advanced or readvanced hereunder from time to time) together with interest thereon at the rate hereinafter provided and any and all other sums which may be owing to the holder of this Note by the Borrower, on February 1, 2009 (the "Maturity Date") which is the final and absolute due date of this Note, or on such earlier date specified by the Lender if demand for prepayment of this Note is made pursuant to Section 5 hereof or if this Note is accelerated pursuant to Section 7 hereof. The following terms shall apply to this Note:

1. Interest Rate. For the period from the date of this Note until the Maturity Date, interest shall accrue at the floating rate obtained by adding one-quarter of one percent (1/4%) to the prime rate of interest declared by the Lender from time to time, such rate to be adjusted on any date on which a change in the Lender's prime rate is effective. The prime rate as used herein refers to that interest rate set by the Lender from time to time as an interest rate base for borrowings. The prime rate is one of several interest rate bases used by the Lender. The Lender lends at rates above and below the prime rate.

2. Repayment. The outstanding principal amount of this Note shall be repaid on the first (1st) and fifteenth (15th) days of each calendar month from and to the extent of (a) one hundred percent (100%) of all Initial Entrance Deposits as described in a Construction Loan Agreement between the Lender and the Borrower of even date herewith (the "Loan Agreement"), and (b) one hundred percent (100%) of all payments (principal and interest) received by the Borrower under the Working Capital Loan Documents described in the Loan Agreement. This Note shall also be subject to mandatory prepayment on the terms set forth in Section 5 hereof. Interest accrued hereunder at the applicable rate or rates shall be paid over the term hereof in arrears in monthly installments, on the first day of each calendar month until the Maturity Date, at which time (unless required to be paid sooner under the terms of this Note) the entire outstanding principal amount hereof together with any accrued and unpaid interest, as well as any other fees and charges due hereunder, shall be due and payable in full.

3. Calculation of Interest. Interest shall be calculated on the basis of a three hundred sixty (360) days per year factor applied to the actual days on which there exists an unpaid principal balance. Interest shall be calculated by the Lender and billed to the Borrower for each appropriate period; provided, however, that failure of the Lender to bill the Borrower shall not relieve the Borrower's payment obligations hereunder.

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

5. Prepayment. The Borrower may prepay this Note in whole or in part at any time or from time to time without premium or penalty. This Note is subject to mandatory prepayment at the option of the Bank in its sole discretion in an amount equal to the unpaid principal balance, all accrued and unpaid interest and all other amounts due hereunder at any time between February 1, 2005 and May 1, 2005 (the "Mandatory Prepayment Period"). The Bank may make demand for prepayment by written notice to the Borrower at any time during the Mandatory Prepayment Period, and the Borrower shall have a period of ninety (90) days following receipt of any such notice from Bank in which to pay this Note in full. Notwithstanding the foregoing the Bank may (but shall have no obligation to) give written notice of mandatory prepayment prior to the commencement of the Mandatory Prepayment Period, and if the Bank does so the Bank need not give a second notice once such Mandatory Prepayment Period commences, but the ninety (90) day period in which Borrower may pay this Note upon demand by the Bank shall not commence until the date the Mandatory Prepayment Period begins.

6. Late Payment Fee. Should any payment of interest, or principal and interest, due hereunder be received by the holder of this Note more than ten (10) days after its due date, the Borrower shall pay a late payment fee equal to five percent (5%) of the amount then due for each month or portion of a month until paid.

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

8. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any Event of Default as defined in the Loan Agreement or in any of the other Loan Documents, the Lender may raise the rate of interest accruing on the disbursed unpaid principal balance by two (2) percentage points above the rate of interest otherwise applicable (the "Default Interest Rate"), independent of whether the Lender elects to accelerate the unpaid principal balance as a result of such default.

9. Confession of Judgment; Jurisdiction and Venue. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any Event of Default as defined in the Loan Agreement or in any of the other Loan Documents, the Borrower authorizes any attorney admitted to practice before any court of record in the United States or any clerk of any court of record to appear for it and confess judgment on behalf of the Borrower against the Borrower in favor of the Lender for and in the full amount due on this Note plus attorneys' fees of ten percent (10%) of such amount up to a maximum for attorneys' fees of Three Hundred Thousand Dollars

($300,000) (but this provision shall not limit the obligation of the Borrower to pay all reasonable attorneys' fees incurred by the Lender). The Lender agrees that in attempting to satisfy or enforce any judgment by confession obtained against the Borrower in connection with this Note, the Lender shall not seek or demand, solely with respect to attorneys' fees incurred by the Lender in connection with this Note, any amounts in excess of the actual amount of reasonable attorneys' fees charged or billed to the Lender. The Lender agrees not to sell or assign any judgment obtained pursuant to this Section 9 unless the assignee agrees to be bound by the provisions of the immediately preceding sentence. In any action brought by the Lender under this Note, Borrower consents to the exercise of personal jurisdiction over it by the courts of the State of Maryland and agrees that venue shall be proper in any County of the State of Maryland or in Baltimore City, in addition to any other court where venue may be proper. The Borrower waives and releases, to the extent permitted by law, all errors and all rights of exemption, appeal, stay of execution, inquisition and extension upon any levy on real estate or personal property to which the Borrower may otherwise be entitled under the laws of the United States of America or of any State or Possession of the United States of America now in force or which may hereafter be passed, as well as the benefit of any and every statute, ordinance, or rule of court which may be lawfully waived conferring upon the Borrower any right or privilege of exemption, stay of execution, or supplementary proceedings, or other relief from the enforcement or immediate enforcement of a judgment or related proceedings on a judgment; provided however, that the foregoing waiver does not extend to the Borrower's rights under Rule 2-611 of the Maryland Rules of Civil Procedure to file a motion to open, vacate or modify a judgment by confession in good faith and within the timeframes permitted by such Rule, which rights the Borrower does not waive. The authority and power to appear for and enter judgment against the Borrower shall be exercisable concurrently in one or more jurisdictions and shall not be exhausted or extinguished by one or more exercises thereof, or by any imperfect exercise thereof or by any judgment entered pursuant thereto. Such authority and power may be exercised on one or more occasions, from time to time, in the same or different jurisdictions, as often as the Lender shall deem necessary or desirable.

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

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

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

13. WAIVER OF JURY TRIAL. THE BORROWER AND THE LENDER, BY ITS ACCEPTANCE OF THIS NOTE, HEREBY VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR UNDER OR IN CONNECTION WITH THIS NOTE, THE LOAN AGREEMENT OR ANY OF

THE OTHER LOAN DOCUMENTS. THIS WAIVER APPLIES TO ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS AND PROCEEDINGS, INCLUDING PARTIES WHO ARE NOT PARTIES TO THIS NOTE. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY THE BORROWER WHO ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE EXECUTION OF THIS NOTE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. THE BORROWER FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION.

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

15. Commercial Loan. The Borrower warrants that this Note and the indebtedness evidenced hereby is the result of a "commercial loan" as defined in Sections 12-101(c) and 12-103(e) of the Commercial Law Article of the Annotated Code of Maryland.

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

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

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

If to the Lender:

Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21201
Attention: Bruce D. McLean,
Senior Vice President

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

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, Suite 1900
Baltimore, Maryland 21202

If to the Borrower:

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

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

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

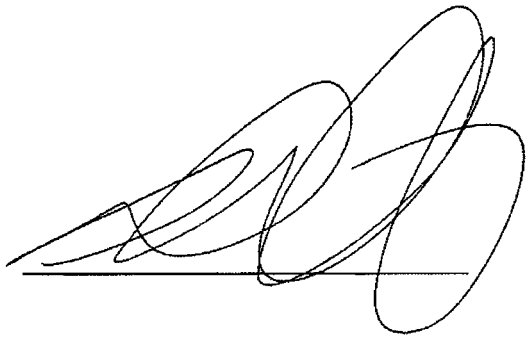
Either party may change the address to which notices are to be sent by a writing directed to the other party in the manner aforesaid. Unless otherwise specifically provided, all notices hereunder delivered personally shall be deemed delivered upon such personal delivery, and all notices hereunder given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

19. Choice of Law. This Note and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the granting, perfection and enforcement of

security interests in collateral, the law of the jurisdiction in which the collateral is located (or which otherwise applies to security interests in collateral) shall govern.

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

WITNESS:



BORROWER:

NOVI CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Member

By: _____ (SEAL)
Andrew V. Aldi,
Executive Vice President and
Chief Operating Officer

EXHIBIT 25

"Development Agreement"

1. Fox Run Village Development Agreement
   (Novi Campus, LLC and Erickson Retirement Communities, LLC)

2. Development Agreement (Novi Campus, LLC and the City Of Novi)

FOX RUN VILLAGE
DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") is effective as of this 12th day of February, 2002 by and between NOVI CAMPUS, LLC, a Maryland limited liability company ("Owner") and ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company ("Developer").

RECITALS

Prior to the execution of this Agreement, Developer has been engaged in providing development services for the certain tract of land containing approximately one hundred three (103) acres, more or less, located in Oakland County, Michigan as more particularly described in Exhibit A attached hereto (the "Land"). Developer's services consisted of developing the Land into a Project, which shall be a Retirement Community, containing Continuing Care Units (including independent living units, assisted living units, and nursing units), Community Centers, Pool, Chapel and other amenities.

AGREEMENT

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, and other good and valuable consideration, the Owner and the Developer, intending to be legally bound, hereby mutually agree that the Development Agreement is amended and restated as follows:

ARTICLE I
DEFINITIONS

For the purposes of this Agreement, the following terms shall have the meaning set forth below:

"Account" shall have the meaning set forth in Section 6.1

"Affiliate" shall mean, with respect to an Entity, any other Entity which directly or indirectly controls, through one or more intermediaries, is controlled by, or is under common control with the Entity in question, with "control" meaning five percent (5%) or more of voting interest.

"Agreements" shall mean any and all leases, rental agreements, operating agreements, easement agreements, restrictive covenants, loan agreements and other agreements evidencing, securing, or otherwise relating to any loan which is secured in whole or in part by the Project, and any other agreements relating to the Project of which Developer is aware, including, without limitation, those agreements described on Exhibit B attached hereto.

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"Approve" or any variation thereof, shall mean an express approval in a written statement signed by the approving Entity. Any party having the right to approve any matter hereunder shall exercise such right reasonably, promptly and in good faith for the purpose intended, unless this Agreement expressly gives the approving Entity the right to exercise its sole discretion, in which case the approving Entity may act in such sole discretion but shall still act promptly.

"Architect" shall mean the architect selected by Owner pursuant to the terms hereof as the architect of the Project.

"Architect's Agreement" shall mean the agreement between the Owner and Architect, as the same may be now or hereafter amended, providing for architectural services for the Project.

"Authorized Representative" shall mean any officer, agent, manager, employee, independent contractor or other representative of an Entity acting within the actual or apparent authority granted by the Entity or who is otherwise authorized to perform the act in question on behalf of such Entity.

"Business Day" shall mean Monday through Friday, excluding holidays recognized by the United States Government.

"Commencement of Construction" shall mean the date upon which the Contractor first commences performance of its services and obligations under the Contractor's Agreement for each Phase.

"Community Loan" shall mean the loan of the Initial Entrance Deposits by the Operator to Owner pursuant to the Community Loan Agreement.

"Community Loan Agreement" shall mean that Community Loan Agreement dated of even date herewith by and between Owner and Operator, pursuant to which the Operator will loan to Owner the Initial Entrance Deposits received by the Operator.

"Construction Lender" shall mean Mercantile Safe Deposit and Trust Company, or any other banks or financial institutions that provide all or any portion of the financing for the development of the Project.

"Construction Loan Documents" shall mean that loan agreement and related documents to be executed by Owner and the Construction Lender to provide funds for the development and other costs of the Project.

Contingencies" shall mean the portion of each Phase Budget or Phase Forecast intended to cover unanticipated costs or cost overruns.

"Continuing Care Unit" shall mean the residential units to be occupied by Residents located in the Retirement Community, including independent living units, assisted living units, and nursing units.

"Contractor" shall mean the general contractor selected by Owner pursuant to the terms hereof as the general contractor of the Project or any part thereof.

"Contractor's Agreement" shall mean the agreement or agreements executed between Owner and Contractor, as the same may be now or hereafter amended, pursuant to which the Contractor agrees to provide construction services for the Project.

"Current Phases" shall mean the Phases for the construction of the Phase I Sitework, as shown on the Development Plan.

"Developer Defaults" shall have the meaning set forth in Section 9.2.

"Development Fee" shall have the meaning set forth in Section 8.1.

"Development Plan" shall have the meaning set forth in Section 2.4, and as attached hereto as Exhibit C.

"Development Team" shall mean Developer and all Contractors.

"Drawings and Specifications" shall mean all blueprints, schematic renderings, architect's drawings, specifications, written descriptions and similar items for each Phase of the Project and all related drawings, plans and data (and all supplements and amendments thereof) relating to the design, construction, equipping and furnishing of each Phase of the Project, as and when Approved by Owner.

"Effective Date" shall mean the date from which a response to a Notice begins to run as established and defined in Section 10.3.

"Engineer" shall mean the engineer selected by Owner pursuant to the terms hereof to provide engineering services for the Project.

"Entity" shall mean a natural person, corporation, limited or general partnership, limited liability company, tenancy-in-common, joint venture, associates, business trust, and any other organization and any combination of them.

"Entrance Deposit" shall mean the sums received by the Operator from Residents as a deposit for a Continuing Care Unit.

"Environmental Law(s)" shall mean any federal, state, or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating or imposing liability or standards of conduct concerning any Hazardous Materials as may now or at any time hereafter be in effect, including, without limitation, the following as the same may be amended or replaced from time to time, and all regulations promulgated thereunder or in connection therewith: The Super Fund Amendments and Reauthorization Act of 1986 (SARA), the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), the Clean Air Act (CAA), the Clean Water Act (CWA), the Toxic Substances Control Act (TSCA), the Solid Waste Disposal Act (SWDA), as amended by the Resource Conservation and Recovery Act (RCRA), the Hazardous Waste Management System, and the Occupational Safety and Health Act of 1970 (OSHA).

"Expenses" shall have the meaning set forth in Section 8.2.

"Expiration" shall mean the expiration of the Term of this Agreement by reason of lapse of time.

"Hazardous Material(s)" means and includes any substance which is or contains (i) any "hazardous substance" as now or hereafter defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. § 9601 et seq.) ("CERCLA") or any regulations promulgated under CERCLA; (ii) any "hazardous waste" as now or hereafter defined in the Resource Conservation and Recovery Act (42.U.S.C. § 9601 et seq.) ("RCRA") or regulations promulgated under RCRA; (iii) any substance regulated by the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.); (iv) gasoline, diesel fuel, or other petroleum hydrocarbons; (v) asbestos and asbestos containing materials, in any form, whether friable or non-friable; (vi) polychlorinated biphenyls; (vii) radon gas; and (viii) any additional substances or materials which are now or hereafter classified or considered to be hazardous or toxic under Environmental Laws or the common law, or any other applicable laws relating to the Project. Hazardous Materials shall include, without limitation, any substance, the presence of which on the project requires reporting, investigation or remediation under Environmental Laws.

"Hold Harmless" shall mean to hold harmless from, indemnify, and defend (with counsel reasonably acceptable to the indemnified Party), and pay promptly on demand therefor, any and all claims, demands, actions, causes of action, losses, expenses (including, without limitation, attorney's fees at both trial and appellate levels), costs (including, without limitation, court costs at both trial and appellate levels), damages and all liabilities arising out of or incurred in connection with, an identified circumstance, incident, condition, relationship, time period, or other matter.

"Initial Entrance Deposit" shall mean the Entrance Deposit paid or payable for a Continuing Care Unit from the first Resident or Residents of such Continuing Care Unit.

"Insurance Requirements" shall mean all terms of any insurance policies covering or applicable to the Project, all requirements of the issuer of any such policy and all orders, rules,

regulations, and other requirements of any insurance, regulatory or governing body applicable to the Project.

"Land" shall have the meaning set forth in the Recitals.

"Law(s)" shall mean any judicial decision, statute, constitution, ordinance, resolution, regulation, rule, administrative order or other requirements of any municipal county, state, federal or other governmental agency or authority having jurisdiction over the Parties or the Land in effect on the date of this Agreement or at any time during the Term, including the Environmental Laws.

"Monthly Report" shall have the meaning set forth in Section 6.4.

"Monthly Request" shall have the meaning set forth in Section 6.5.

"Move-In Period" shall mean for each Phase the period commencing upon the completion of construction, at the close-out of the punch-list items for such Phase on a floor-by-floor basis or otherwise, and termination upon ninety-five percent (95%) of the Units in such Phase being settled with Residents.

"Notice" shall have the meaning set forth in Section 10.3.

"Operator" shall mean Fox Run Village, Inc., or any successor entity operating and managing the Retirement Community.

"Owner Defaults" shall have the meaning set forth in Section 9.3.

"Parties" shall mean Owner and Developer.

"Phase" shall mean an interval of development of the Retirement Community as indicated in the Development Plan - Schedule of Estimated Completion Dates, attached hereto as Exhibit C. A Phase shall generally mean a discrete residential or community building of the Retirement Community and the related portion of Land. The Marketing Center, Sitework (including installation of utility lines and stormwater management facilities), Care Center Facility and the Assisted Living Facility shall also each be a separate Phase of development as shown on Exhibit C.

"Phase Budget" shall have the meaning set forth in Section 4.1.3.

"Phase Construction Schedule" shall have the meaning set forth in Section 4.1.4.

"Phase Forecast" shall have the meaning set forth in Section 4.1.3.

"Phase Marketing Pro Forma" shall have the meaning set forth in Section 4.1.5.

"Project" shall mean the construction of the Improvements on the Land, which work is more particularly described in Exhibit D attached hereto.

"Project Manager" shall mean David Destino and all replacements or successors who are hired by Developer in accordance with this Agreement to oversee the development of the Project.

"Punch List Items" shall mean such items of work on each Phase of the Project as in the judgment of Developer remain incomplete or incorrectly or inaccurately done at the time Developer advises Owner that the construction and equipping of the Phase of the Project have been substantially completed in accordance with the Contractor's Agreement and the Drawings and Specifications for such Phase.

"Residence and Care Agreements" shall mean the continuing care contracts signed by Residents of the Retirement Community.

"Resident(s)" shall mean the occupants of the Retirement Community who enter into Residence and Care Agreements with Operator.

"Residential Building Phase" shall mean the Phase(s) of the Project listed on the Schedule of Estimated Completion Dates in Exhibit C hereof (Development Plan) which refers to a Residential Building number.

"Retirement Community" shall mean the continuing care retirement community to be developed on the Land.

"Settlement of a Continuing Care Unit" shall be the date when Resident is deemed to take occupancy of the Continuing Care Unit by paying the full, applicable Entrance Deposit for such unit.

"Substantial Completion Date," for each Phase, shall mean the first day by which (i) the construction and equipping of the Phase have been substantially completed in accordance with the Contractor's Agreement and the Drawings and Specifications, as evidenced by a certificate to such by Developer, (ii) all mechanical and support systems within the Phase are functioning in accordance with the approved design specifications, (iii) direct connection has been made, either directly or through insurable easement rights satisfactory to Owner, to abutting public water, sewer, gas and electricity facilities permitting the use thereof, (iv) a certificate of occupancy for the Phase (on a partial floor-by-floor basis, or otherwise) has been issued by the appropriate governmental agency, and (v) the Phase shall have been accepted (subject only to those items described in the certificate referred to in (i) above as constituting the Punch-List Items) by Owner and each party having the right to approve the same under the Agreements.

"Subtenants" shall mean the Entities leasing space in the Retirement Community, to provide goods or services to the Residents.

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"Term" shall have the meaning set forth in Section 2.2.

"Terminate" or "Termination" shall mean termination of this Agreement prior to its Expiration either as a matter of right or pursuant to a Developer Default or Owner Default.

"Unallocated Annual Expense Forecast" shall have the meaning set forth in Section 4.1.3.

"Unallocated Annual Expense Summary" shall have the meaning set forth in Section 4.1.3.

"Unallocated Expenses" shall mean those internal costs incurred by Developer which are directly attributable to the Project, which shall be shown on a form consistent with Exhibit E, attached hereto and included as part of each Unallocated Annual Expense Forecast, and shall include but not be limited to the categories indicated on Exhibit E.

ARTICLE 2
ENGAGEMENT, TERM, AND DEVELOPMENT PLAN

2.1. Appointment. Owner hereby engages the services of Developer, and Developer hereby accepts the engagement, to continue to plan, arrange, supervise, administer, coordinate and monitor on behalf of Owner all design, development and construction services for the Project, subject to and in accordance with the terms of this Agreement.

2.2. Term. The term ("Term") of this Agreement shall commence on the date of this Agreement, and unless earlier Terminated as provided herein, shall expire, with respect to each Phase of the Project, upon the performance and completion of the duties of Developer described in Section 4.1. hereof for such Phase, except as to any representations, warranties, or guaranties made in this Agreement which by their terms shall survive the completion of such Phase and all Phases.

2.3. Relationship. Developer shall be an independent contractor of Owner and not an agent, employee, partner or joint venturer of the Owner.

2.4. Phased Development Plan. Owner and Developer acknowledge that the Project will be developed in Phases. At the execution hereof, the Parties contemplate that the Phases will be developed in the order indicated in the current Schedule of Estimated Completion Dates of the Development Plan, attached hereto as Exhibit C. Each Phase shall have a separate Phase Budget in addition to the Project having an Unallocated Annual Expense Summary, all in accordance with Section 4.1.3. The Schedule of Estimated Completion Dates attached hereto as Exhibit C may be amended by Owner and Developer in accordance with Section 10.1 of this Agreement.

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ARTICLE 3
WARRANTIES AND REPRESENTATIONS

3.1. Warranties and Representations. Developer hereby warrants and represents to Owner as follows:

3.1.1. Developer is experienced, competent and qualified to perform the work contemplated by this Agreement and is authorized to do business in the State in which the Project is located;

3.1.2. Developer has and shall maintain at all times during the Term sufficient facilities, expertise, staff, assets and other resources to perform its duties under this Agreement; and

3.1.3. Developer holds and shall maintain at all times during the Term all licenses, permits or other certifications necessary to perform its duties under this Agreement, and is in compliance with and shall continue to comply with all Laws;

3.1.4. The Phase Budgets approved for the Current Phases are feasible and achievable;

3.1.5. The Developer is a limited liability company in good standing under the laws of the State of Maryland;

3.1.6. All appropriate actions have been taken by the members and officers of the Developer to authorize the execution and delivery of this Agreement by Developer;

3.1.7. To Developer's knowledge, the Drawings and Specifications in Developer's possession as of the date of this Agreement are consistent with all applicable licenses and approvals obtained by the Developer in connection with the Project;

3.1.8. To Developer's knowledge, Developer has or will obtain all licenses and approvals to permit the commencement of construction of the Current Phases;

3.1.9. To Developer's knowledge, Developer does not as of the date of this Agreement anticipate any material problems in obtaining any necessary approvals that Developer is obligated to obtain pursuant to this Agreement to permit the construction of the Project;

3.1.10. To Developer's knowledge each Phase can be constructed within the Phase Forecast applicable to each Phase; and

3.1.11. To Developer's knowledge the Project can be built within the time limits set forth in the Phase Construction Schedule.

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ARTICLE 4
DUTIES AND SERVICES OF DEVELOPER

4.1. Duties and Services. Developer shall represent Owner in connection with the design, development, construction, and marketing of the Project, and Developer shall perform its services and carry out the responsibilities with respect to the Project, as set forth herein, together with such additional services and responsibilities as are reasonably within the general scope of such services and responsibilities and are designated from time to time by Owner. The duties and services of Developer during the term of this Agreement shall include, without limitation, the following:

4.1.1. Arrange for the preparation, subject to the Approval of Owner, of boundary line surveys, topographic surveys, soil tests, feasibility studies, engineering studies and other matters related to the usability of the Land and the development of the Project, including "as-built" surveys if required by the Construction Lender.

4.1.2. Prepare recommendations for the construction and development of the Project, and submit to Owner draft amendments to the contracts for the Architect, Contractor, Engineer, and (if requested by Owner) major subcontractors for the Project.

4.1.3. Prepare and submit to Owner for Approval:

(a) for each Phase of the Project, a Phase Forecast, in the form provided in Exhibit E, setting forth the costs and expenses of development allocable to such Phase, including an appropriate amount for contingencies (when Approved by Owner, the "Phase Budget" for the respective Phase); and

(b) for each calendar year, an Unallocated Annual Expense Forecast, in the form provided in Exhibit E, of the additional costs and expenses in connection with the development of the Project not specifically allocable to a particular Phase of the Project (when Approved by Owner, the "Unallocated Annual Expense Summary" for each year); provided that the 2002 Unallocated Annual Expense Forecast, attached hereto as Exhibit E is hereby Approved by Owner as the 2002 Unallocated Annual Expense Summary.

4.1.4. Prepare and submit to Owner for Approval the Development Plan, including the schedule for the development of all Phases (when Approved by Owner, the "Phase Construction Schedule") for each Phase, which Development Plan, including the Phase Construction Schedule, is attached hereto as Exhibit C and is hereby approved by Owner.

4.1.5. Prepare and submit to Owner for Approval a marketing pro forma for each Phase (when Approved by Owner, the "Phase Marketing Pro Forma").

4.1.6. If Owner shall direct that a Phase, or any part thereof, shall be constructed on a "fast-track" basis, prepare and submit to Owner recommendations to assure to the extent possible

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that the Phase is developed in compliance with the Phase Forecast and the Phase Construction Schedule, prior to a Phase Budget being Approved in total.

4.1.7. Submit to Owner recommendations for the errors and omissions coverage, if any, to be maintained by the Architect, Engineer and other professionals providing design services for the future Phases of the Project as part of the Phase Budget submission to Owner for approval.

4.1.8. Assist the Architect and Engineer in the preparation of architectural and engineering plans and specifications for the Project, and provide recommendations on the relative feasibility of different construction methods, the availability of labor, equipment and materials, the costs of alternative designs and materials, a schedule for the purchase of materials and equipment requiring a long lead time of procurement, and other issues relating to costs and possible savings.

4.1.9. Arrange for the preparation by Architect and Engineer of a pricing set and construction set of Drawings and Specifications and arrange for preparation by the Contractor of a record set of Drawings and Specifications.

4.1.10. Investigate and review all Laws and Agreements applicable to the development of the Project and obtain or cause to be obtained all applicable zoning and other land use approvals, land disturbance and building permits, utility approval and connection permits, permits or approvals required under the Environmental Laws, permits and approvals to permit access to the Project from adjoining roads, construction approvals required to be obtained under any of the Agreements and all other licenses, permits and governmental approvals required in connection with the development of the Project; provided, however, that Developer shall not be responsible for obtaining the licenses, permits, or approvals in connection with a certificate of authority or certificate of need, or licenses or permits in connection with food service at the Retirement Community.

4.1.11. If Owner shall direct that the Project, or any portion thereof, shall be let by the Contractor for subcontractor competitive bidding, direct and supervise the procurement of bids for the development and construction of the Project, tabulate and analyze bid results, and submit recommendations to Owner regarding the award of construction subcontracts relating to the Project.

4.1.12. Negotiate and prepare, for the Approval of and execution by Owner, any amendments to the Architect's Agreement, or the Contractor's Agreement, and negotiate and prepare for approval of and execution by Owner, such other agreements or amendments as Developer recommends that Owner execute in connection with the future Phases of the Project.

4.1.13. Advise Owner regarding Subtenant standard improvements and the selection of interior space planners and contractors, coordinate the design and construction of all interior Subtenant improvements to the extent required under the Drawings and Specification and any of the Agreements, and review and advise Owner regarding Subtenant improvements to be constructed by first generation Subtenants within the Project and advise Owner regarding Resident customization of Continuing Care Units.

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4.1.14. Review and verify all applications for payment submitted by Architect, Contractor, Engineer and subcontractors in connection with the construction of the Project, and within ten (10) days following receipt by Developer of such applications, recommend to Owner such application for approval or disapproval of payment by Owner (if Developer recommends that such application be paid by Owner, Developer shall submit the application to Owner along with the Monthly Request, and if Developer recommends that Owner disapprove any application or any portion thereof, Developer shall provide to Owner a detailed written explanation of the reasons for such disapproval).

4.1.15. Direct, coordinate, monitor and supervise the performance of the Architect, Engineer, Contractor and all subcontractors and other professionals providing services in connection with the development of the Project, and verify that such activities and services are provided by such parties in accordance with the terms of the Drawings and Specifications, the Contractor's Agreement, the Architect's Agreement, the Development Plan, the Phase Construction Schedule, the Phase Budgets, all Laws and all Agreements.

4.1.16. Conduct periodic reviews of the Project to assure it is being constructed in a good and workmanlike manner, in accordance with the Drawings and Specifications for the Project.

4.1.17. Inspect the Phases under construction on a regular basis and recommend to Owner that Owner stop work or reject any work which fails to conform with the Drawings and Specifications.

4.1.18. Determine that the Architect is making site visits according to the Architect's Agreement to determine whether the Project is being constructed in accordance with the Drawings and Specifications, and that the Contractor is accurately reporting and accounting for the costs of construction, including all labor and materials.

4.1.19. Maintain complete financial records and impose appropriate financial and accounting controls as required by Article 6 and maintain a set of working Drawings and Specifications, and addenda and change orders thereto, at the Project or such other location as may be Approved by Owner.

4.1.20. Conduct meetings of the Development Team and any other appropriate parties during the course of development of the Project as often as necessary but not less frequently than once each month to provide continuing supervision and control of the Project and compliance with each Phase Construction Schedule and each Phase Budget for each Phase and the Unallocated Annual Expense Summary (Developer shall notify Owner in advance of such meetings and schedule such meetings to the extent reasonably possible to permit attendance by Owner).

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4.1.21. Submit to Owner minutes of the meetings described in Section 4.1.20 with the Monthly Report for the month following each meeting, and otherwise keep Owner fully informed of the progress of the Project.

4.1.22. Attend any and all public meetings which may be held concerning the Project and report to Owner in writing the results of such meetings within five (5) Business Days following each meeting, and otherwise keep Owner fully informed of the progress of the Project, and notify Owner in advance of such meetings and schedule such meetings to the extent reasonably possible to permit attendance by Owner.

4.1.23. Promptly advise Owner and Developer of any disputes or potential disputes with any of the Development Team, any adjoining property owner, or any other party relating to the Project.

4.1.24. Review and update periodically the Development Plan, the Phase Budget(s) and the Phase Construction Schedule and the Unallocated Annual Expense Summary (provided, however, that Developer may not change the Development Plan or the Unallocated Expense Summary without the Owner's approval and may only change the Phase Budget or the Phase Construction Schedule without the Owner's Approval in accordance with Section 4.3.7).

4.1.25. In the event that Developer determines that development and construction of a Phase is not in accordance with the Phase Budget and/or the Phase Construction Schedule, deliver to Owner recommendations as to how to most efficiently and economically come into compliance with the Phase Budget and/or the Phase Construction Schedule, and implement Owner's decisions with respect thereto.

4.1.26. Recommend and advise Owner concerning possible change orders and cost savings.

4.1.27. Arrange for, negotiate and supervise, subject to the limitations in this Agreement, the execution of all change orders for the Project.

4.1.28. Conduct safety reviews with Contractor's Safety Director and, where appropriate, make recommendations to the Contractor to improve on-site safety.

4.1.29. Conduct periodic reviews of the Project to insure compliance by Contractor and other parties performing work with respect to the Project with all Laws (including, without limitation, Environmental laws), Insurance Requirements and Agreements, and make recommendations to Contractor to insure compliance.

4.1.30. Comply with the requirements of all Laws (including, without limitation, Environmental Laws), permits, Agreements and Insurance Requirements applicable to Owner (other than payment obligations) with respect to the Project.

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4.1.31. Notify Owner in writing within twenty-four (24) hours upon discovery of any Hazardous Material on the Land in violation of Environmental Laws which has not been previously identified as an environmental concern.

4.1.32. Implement Owner's policies, procedures and decisions in connection with the design, development and construction of the Project, provided however, that Developer shall not be obligated to implement any such policies, procedures, or decisions (i) which violate any laws, rules or regulations applicable to Developer, the Project, or any contractors or subcontractors working on the Project, or (ii) which impose or may impose upon Developer any potential liability, cost, expense or exposure unless Owner provides Developer with assurances and security reasonably acceptable to Developer.

4.1.33. Prepare materials required in connection with submission of applications for payment under any loan agreement pursuant to which funds are provided for the Project and of which Owner has provided a copy to Developer.

4.1.34. Take such actions as may be required to obtain any certificates of occupancy required to permit the occupancy of the Project and obtain any approvals of the Project required under the Agreements, and deliver all certificates of occupancy to Owner promptly following receipt thereof.

4.1.35. Advise Owner regarding the interpretation of the Architect's Agreement, the Contractor's Agreement and any other construction documents to which Owner is a party.

4.1.36. Advise Owner in connection with any claims made against Owner by Contractor, Architect, Engineer or any other party providing services in connection with the development of the Project.

4.1.37. Cause all contractors, subcontractors, laborers, materialmen and any other parties entitled to claim, file or enforce liens against the Project to waive such lien rights to the full extent permitted by law as each progress payment is made and upon completion by such party of its work with respect to the Project, provided that Owner provides sufficient funds for the payment of such parties as and when due.

4.1.38. Inspect the Project with the Architect, and the Contractor and submit to Owner recommendations concerning the acceptance of the Project by Owner and the Approval by Owner of any Punch List Items.

4.1.39. Inspect and cause all Punch List Items to be promptly completed or corrected, as the case may be.

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4.1.40. Assist Operator in taking occupancy of the completed Phases and coordinate for Owner the execution of the amendments to the Master Lease and Use Agreement for such completed Phases.

4.1.41. Direct, supervise and coordinate the marketing and occupancy of first generation Continuing Care Units in each Phase in conjunction with the Operator in accordance with the Phase Marketing Pro Forma and sound, reasonable and prudent marketing practices (provided, however, that the right of Developer to perform the functions described in Sections 4.1.40 through 4.1.45 for each Phase shall terminate on the completion of the Move-In Period for each Phase and further provided, however, that Developer shall continue its marketing services until the completion of the Move-In Period for each Phase and review in conjunction with the Operator, and all Residence and Care Agreements shall be on the standard form approved by Owner for execution by the Operator. Developer shall follow the Phase Marketing Pro Forma and other written guidelines and parameters delivered to Developer by Owner from time to time in occupying each Phase of the Project.

4.1.42. Furnish to Owner recommendations concerning marketing and occupancy efforts relating to the Projects.

4.1.43. Reserved.

4.1.44. Furnish to Owner on a monthly basis, along with the Monthly Report, Developer's standard Marketing Report, in accordance with the form attached hereto as Exhibit F.

4.1.45. Reserved.

4.1.46. Eleven (11) months after the Substantial Completion Date for each Phase, and in any event prior to the expiration of any warranties or guaranties provided in connection with the development and construction of the Phase by Contractor or other Entities, visit such Phase with Contractor and review the Phase and identify all observable defects and deficiencies, and correct or cause to be corrected such defects and deficiencies other than those resulting solely from Operator's occupancy and use of the Phase subsequent to the Substantial Completion Date for such Phase, and take such steps as may be necessary to make a claim under any warranty provided with respect to the Phase.

4.2. Performance of Duties. Developer shall perform its duties and exercise its rights hereunder in a timely and professional manner, and shall exercise its rights and perform its duties in good faith and in the best interest of Owner.

4.2.1. Developer shall execute a Guaranty of Completion to the Construction Lender; provided that, in the event of a default under the Construction Loan Documents by Owner, Developer shall be indemnified by Owner as provided in Section 7.2.

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4.3. Limitations on Authority of Developer. Notwithstanding anything to the contrary herein, Developer shall not, without the prior Approval of Owner, take any of the following actions:

4.3.1. Subject all or any portion of the Project or any other property of Owner to any mortgage, deed of trust, lien or other encumbrance.

4.3.2. Prepay any amount due under any loan or obligation of Owner.

4.3.3. Modify or terminate any of the Agreements to which Owner is bound from time to time; provided, however, that Developer may unilaterally modify the Architect's Agreement, the Contractor's Agreement, or the Engineer's Agreement if the modifications are within the change order parameters of the respective Phase Budget and consistent with the change order provisions of Section 4.3.7.

4.3.4. Take any action which would cause Owner to expend funds or incur liabilities or obligations to a third party with respect to any part of the Project, except as expressly provided herein.

4.3.5. Enter into, on its own behalf or on behalf of Owner, any new Agreement or any contract relating to the design, construction, development or marketing of new Phases of the Project.

4.3.6. Borrow money or execute any promissory note, evidence of indebtedness, guaranty or the like in the name of or on behalf of Owner.

4.3.7. Enter into or approve any change order relating to a Phase; provided however, that Developer shall have the authority to approve change orders provided that (i) the aggregate of all change orders for such Phase does not exceed the lesser of (A) $150,000, or (B) Fifty percent (50%) of the contingencies for such Phase as set forth in the approved Phase Budget, (ii) the proposed change order does not violate any Laws or the terms of any Agreements, and (iii) the change order does not result in (A) a substantial change in the scope of the Phase, (B) a material downgrading of the quality of materials or equipment from those specified in the Drawings and Specifications, (C) any change in the Drawings and Specifications relating to the structural integrity of the Phase, or any material change to the Phase's mechanical or electrical systems, (D) a change which substantially affects the design or appearance of the exterior of the Phase or any public area (interior or exterior) of the Phase, or (E) any delay in or extension of the Phase Construction Schedule dates listed in the Development Plan for the respective Phase Budget in excess of fifteen (15) days in the aggregate per Phase. Developer shall deliver to Owner all such change orders for the Phase within the Monthly Request package. And as to any change orders in excess of the amount listed in clause (i) above, a copy thereof shall be forwarded to Owner for Owner's approval together with a written explanation supporting the need for such change order. All change orders, whether within the specified amount or in excess, shall be listed separately on a report submitted with the Monthly Request applications for payment.

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4.3.8. Modify a Phase Budget or the Phase Construction Schedule as Approved by Owner, except as otherwise provided in Section 4.3.7.

4.3.9. Reserved.

4.3.10. Reallocate costs between or among line items of the Project Budget.

4.3.11. Commence litigation against or settle claims of the Contractor, Architect, Engineer or any other subcontractor, supplier, laborer or materialman relating to the development of the Project.

4.3.12. Accept from Residents in settlement of their Units, without the prior consent of Owner, more than Three Million Dollars ($3,000,000) in promissory notes in the aggregate at any one time, more than Two Million Five Hundred Thousand Dollars ($2,500,000) in promissory notes for more than ninety (90) days, or an average amount of more than One Million Five Hundred Thousand Dollars ($1,500,000) during any twelve month period.

4.4. Employees and Project Staffing.

4.4.1. Developer shall manage the construction and initial "sales" of the Project through its offices in Catonsville, Maryland and Novi, Michigan. Developer shall have its employees visit the Project with sufficient frequency or be located at the Project so that Developer may perform its duties hereunder and that the progress of the Project is properly monitored.

4.4.2. Developer shall assign to the Project such staff as may be required to perform its duties hereunder with due diligence and to cause each Phase to be completed in accordance with the Phase Construction Schedule. Developer shall not assign any other projects or assignments to any members of such staff if such projects or assignments could be expected to cause any delays in the development or initial marketing of the Project or impair the ability of Developer to perform its obligations under this Agreement.

4.4.3. At all times during the course of the design, construction and marketing of the Project pursuant hereto, Developer shall provide and retain a Project Manager and a Marketing Director of the Project whose selection shall be Approved by Owner. Such Project Manager shall be directly charged with inspecting the Project and monitoring the construction of the Project and shall spend a sufficient amount of time in the reasonable judgment of the Owner to properly monitor the construction of the Project. The Marketing Director shall be directly charged with directing, supervising and coordinating the marketing for first generation Residents of the Retirement Community in accordance with the Phase Marketing Pro Forma. The initial Project Manager and Marketing Director shall be the individuals identified as such on Exhibit G attached hereto. In the event that either Developer or Owner desire to replace such Project Manager or Marketing Director, a replacement whose selection is Approved by Owner shall be obtained. In the event that such

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Project Manager or Marketing Director for any reason fails to perform his or her respective duties for a period longer than one (1) week, Developer shall promptly secure a temporary replacement whose selection is Approved by Owner; provided, however, if such Project Manager or Marketing Director resigns without notice, dies or is disabled for a period longer than four (4) weeks, Developer shall as soon as practically feasible secure an adequate, qualified permanent replacement for such Project Manager or Marketing Director whose selection shall be subject to Approval by Owner.

4.4.4. All matters pertaining to the employment, supervision, compensation, benefits, payment of taxes, promotion and discharge of Developer's employees shall be vested solely with Developer and Owner shall not have any rights or obligations with respect thereto, except as provided in Sections 4.4.2 and 4.4.3. Developer shall comply fully with all Laws having to do with worker's compensation insurance, Social Security, unemployment insurance, hours at labor, wage, working conditions and other employer-employee related subjects. Without limiting the foregoing, Developer shall not discriminate on the basis of race, color, creed, religion, handicap, sex or national origin. Developer shall also be an equal opportunity employer as required by all Laws applicable to Developer and Owner.

ARTICLE 5
INSURANCE

5.1. Owner's Insurance. During any period of construction of the Project, Owner shall maintain, or at the option of Owner, Developer shall maintain at Owner's expense as part of the Unallocated Annual Expense Summary, builder's "all-risk" insurance in such amounts and with such deductibles as Owner deems appropriate, unless such insurance is provided by the Contractor. Following completion of construction of the Project, Owner shall maintain hazard insurance in such amounts and with such deductibles as Owner deems appropriate.

5.2. Additional Insurance.

5.2.1. Developer shall cause Contractor, Architect, Engineer and all other subcontractors to obtain and maintain in full force and effect all insurance required by the terms of their respective contracts.

5.2.2. Developer shall maintain throughout the Term, at its sole cost, the following insurance coverage:

(a) Worker's compensation and employer's liability insurance, covering all employees who are engaged by Developer to perform any work under this Agreement, at no less than statutory requirements and with a limit of not less than One Million Dollars ($1,000,000.00) per occurrence;

(b) Non-occupational disability insurance when required by law;

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(c) Automobile liability insurance covering owned, hired and now-owned vehicles, providing coverage of Five Million Dollars ($5,000,000.00) for injury or death in any one occurrence and One Million Dollars ($1,000,000.00) property damage or Five Million Dollars ($5,000,000.00) combined single limit coverage for bodily injury and property damage;

(d) Commercial general liability insurance (including personal injury liability coverage) with a minimum per occurrence limit of at least One Million Dollars ($1,000,000.00) and a annual aggregate limit of Two Million Dollars ($2,000,000.00) for the Project; and

(e) Excess umbrella liability insurance coverage insuring losses in excess of the insurance required under Sections 5.2.2(c) and (d) up to a total limit of Ten Million Dollars ($10,000,000.00) on an occurrence basis.

5.2.3. Developer shall deliver to Owner on or before the commencement of the Term certificates of the insurance coverage described in Section 5.2.2. Upon request, Developer shall deliver to Owner certified copies of the policies described in Section 5.2.2.

5.3. General Requirements.

5.3.1. All insurance obtained by Developer pursuant to this Agreement shall be maintained in effect throughout the Term and shall be written with companies and on policy terms and conditions, including deductibles and limits, Approved by Owner or in compliance with the terms hereof. Such policies may be included in blanket policies provided that the Project is named separately. All deductibles shall be the sole and exclusive responsibility of the Party obligated to maintain the insurance hereunder. Each policy maintained by Developer shall name Owner and Developer as an additional insured if possible, or, if not possible, include a waiver of subrogation against Owner. Each policy shall provide that it shall not be canceled, amended or reduced by any act of either Party or any other Entity having an interest in the Project or by foreclosure or other change in title to the Project. Each Party shall, with regard to the coverage required by it, deliver certificates of insurance evidencing the required coverage within ten (10) days after the date of this Agreement or within thirty (30) days prior to the expiration of any policy already in effect. The other Party may by Notice request a certified copy of each such policy.

5.3.2. All liability insurance required to be carried by Developer shall (i) be written to apply to all bodily injury, property damage, personal injury and other covered loss, however occasioned, which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period, (ii) contain endorsements deleting any employee exclusion personal injury coverage, and including employees as additional insureds, (iii) contain cross-liability and such other endorsements as may be reasonably required by Owner, (iv) shall be primary and non-contributing notwithstanding the indemnities provided herein, and (v) shall contain broad form contractual liability insurance coverage insuring all of Developer's indemnity obligations to Owner pursuant to this Agreement.

5.3.3. Developer shall immediately provide a Notice to Owner of any notice or communication from an insurance carrier purporting to cancel, terminate, modify or otherwise alter any insurance coverage maintained by Developer hereunder. Developer shall provide a Notice to Owner at least thirty (30) calendar days prior to any cancellation by Developer of any insurance policy or any change in Developer's insurance carriers.

5.3.4. In the event of any loss or claim under a policy of insurance maintained by or on behalf of Owner with respect to the Project, Developer shall fully cooperate with Owner and comply with the conditions and terms of such insurance policies to the end that payment may be obtained for any covered loss; provided, however, that nothing herein shall authorize Developer to compromise or settle any loss or claim under a policy of insurance maintained by or on behalf of Owner without Owner's prior Approval.

ARTICLE 6
MAINTENANCE OF RECORDS; FINANCIAL REPORTING

6.1. Bank Account. Developer shall establish an operating account in a bank to be Approved by Owner (the "Account") from which disbursements Approved by Owner with respect to the Project shall be withdrawn. Developer shall not commingle the funds of Owner with the funds of Developer or any other Entity. Funds may be withdrawn from the Account only by Owner's and Developer's Authorized Representatives. Developer shall hold the Minimum Reserve amount per Owner's Operating Agreement (currently $100,000.00) in an account for purposes of Working Capital. Should an amount be drawn during one month to reduce the level below the minimum reserve amount, Developer shall requisition funds in the amount of such reduction as a part of the next Monthly Request to Owner and Lender

6.2. Records. Developer shall keep all books of account and other records for the Project at its office described in Section 4.4.1 or at such other location as may be Approved in writing by Owner. Developer shall maintain records relating to Project Costs and construction advances, original vouchers, statements, receipted bills, invoices and all other records covering all collections, if any, disbursements and other records and correspondence in connection with the development of the Project. All records and accounts shall be maintained on an accrual basis and shall be sufficient to permit the preparation of financial statements in accordance with generally accepted accounting principals, shall be adequate to provide Owner with all reasonable financial information as may be needed by Owner and shall be supported by sufficient documentation to permit Owner and its auditors to verify that such entries are properly and accurately recorded. Developer acknowledges that its obligations pursuant to this Section 6.2 are in addition to any records that are required to be maintained by Contractor.

6.3. Financial Controls. Developer shall maintain such control over accounting and financial transactions as is reasonably necessary to protect the Owner's assets from theft, error, or

fraudulent activity. All losses to Owner's assets arising from the theft, error or fraudulent activity on the part of Developer, its employees or agents shall be borne by Developer.

6.4. Monthly Reports. On or about the ninth (9th) day of each month during the Term, Developer shall prepare and deliver to Owner a written report on the Project (the "Monthly Report") for the preceding month. At the time of the delivery of the Monthly Report, Developer shall, if requested by Owner, make all supporting documentation available for inspection by Owner. Each Monthly Report shall be divided into categories and shall contain the following information concerning the Project:

6.4.1. The information set forth on Exhibit H attached hereto and made a part hereof;

6.4.2. Year to date schedule of cash needs;

6.4.3. Minutes of Development Team meetings;

6.4.4. Phase construction schedules;

6.4.5. A narrative status report describing the status of completion of construction of the Project and its relation to the Phase Construction Schedule for each Phase;

6.4.6. Change order log;

6.4.7. A discussion of all actual or proposed deviations from the Drawings and Specifications, the Phase Construction Schedule of the Development Plan, each Phase Budget or the Unallocated Annual Expense Summary, together with (i) the reasons for such deviations, (ii) an analysis illustrating the effect of such deviations on the Phase Construction Schedule, the Phase Budget or the Unallocated Annual Expense Summary, as the case may be, and (iii) Developer's recommendation for Owner's approval or disapproval of each proposed deviation. Notwithstanding anything herein to the contrary, Developer shall obtain Owner's prior Approval of all deviations and change orders to the extent required under Section 4.3.7. Any proposed changes which may affect the exhibits to this Agreement, following Approval by Owner and Developer, will be recorded in the Monthly Report and initialed by Owner and Developer;

6.4.8. Invoice log;

6.4.9. The Marketing Report as defined in Section 4.1.44;

6.4.10. Calculation of Development Fee; and

6.4.11. Any other information which may from time to time be reasonably requested by Owner.

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6.5. Monthly Requests. Together with the Monthly Report as specified in 6.4, Developer shall submit to Owner on the ninth (9th) of the month during the course of construction of the Project a monthly draw request (the "Monthly Request") for the amounts to be paid by Owner towards completion of the Project for the applicable Monthly Request including, the Contractors requisition and the most current lien waivers from subcontractors. Each Monthly Request shall be accompanied by the approval of Developer and Contractor of the amounts requested to be disbursed pursuant thereto and such other supporting documentation as Owner may request. Not more than one (1) Monthly Request shall be submitted to Owner each month. During the approximately ten (10) day period after receiving the Monthly Request, Owner shall review the Monthly Request and notify Developer of those items in the Monthly Request, if any, not Approved by Owner, and with respect to those items that are Approved by Owner, Owner shall transfer funds to the Account for the payment of such items. Developer shall within three (3) days following the deposit by Owner of funds into the Account prepare and distribute checks in payment of the expenses Approved by Owner under the Monthly Request. Review and approval of the Monthly Requests by Lender shall run concurrently with Owner's approval. The Monthly Requests shall include draw requests from the Operator on it's Working Capital Loan with Owner.

6.6. Right to Audit. Owner reserves the right for itself and its Authorized Representatives to examine, copy and audit the books and records maintained by Developer in connection with the Project, all at Owner's expense. Owner shall give Developer reasonable prior notice of its intention to audit the books and records. Developer shall permit Owner and its Authorized Representatives access to all books, records and accounts relating to the Project and all correspondence pertaining thereto, during regular business hours. In connection with any such examination, audit or inspection, Owner and its Authorized Representatives shall have the right to question Developer and its employees concerning the books and records. If Owner shall notify Developer of any errors in Developer's accounting, financial transactions or record keeping concerning the Project, after review by the Parties as to any errors, Developer shall correct such errors as soon as possible after receipt of such notice, and Developer shall promptly notify Owner of the action taken to correct such errors.

6.7. Custody. All books, records, accounts and other information relating to the Project and required to be maintained by Developer under this Agreement shall be the property of Owner.

6.8. Office Space. Owner shall provide to Developer such office or other working space at or near the Project as Owner deems reasonably necessary to permit Developer to perform its duties and obligations hereunder.

6.9. Inspection. Owner reserves the right for itself and its Authorized Representatives to inspect, examine and test the construction and development of the Project, all at Owner's expense, during regular business hours. Owner shall give Developer reasonable prior notice of its intention to conduct any such inspection, examination or test. In connection with any such examination, inspection or test, Owner and its Authorized Representative shall have the right to question Developer and its employees concerning such construction and development. In connection with

any such examination, inspection or test, Developer shall make available to Owner and its Authorized Representatives such facilities and office or other working space within the office space at the Project used by Developer as may be reasonably requested by Owner. Owner shall promptly notify Developer of any defects in the Project and/or defaults on the part of Architect or Contractor reported to Owner by any inspectors or consultants retained by Owner. Notwithstanding anything herein to the contrary, the right of Owner to inspect, examine and test the construction and development of the Project shall not in any respect diminish, limit or impair the obligations of Developer under this Agreement.

ARTICLE 7
INDEMNIFICATION

7.1. Indemnification by Developer. Developer shall Hold Harmless Owner in any matter related to, arising out of or resulting from (a) any failure of Developer, its agents or employees to perform any of its obligations under this Agreement as and when required, (b) any acts of Developer, its agents or employees beyond the scope of its authority under this Agreement, (c) any negligence, fraud or misconduct of Developer, its agents and employees, or (d) any injury, damage or death to or of Developer or its officers, directors, partners, employees, agents or other representatives. The rights of Owner under this Section 7.1 shall inure to the benefit of any and all of Owner's officers, directors employees, agents and representatives, and to the benefit of any and all persons or legal entities which are Affiliates of Owner and who are, could be or are alleged to be, liable for the obligations of Owner and any and all of its officers, directors, employees, agents and representatives.

7.2. Indemnification by Owner. Owner shall Hold Harmless Developer in any matter arising out of Developer's performance of its obligations under this Agreement which are within the scope of its authority under this Agreement, except for those matters against which Owner is indemnified pursuant to Section 7.1.

7.3. Intent. It is the intent of the Parties to look first and primarily to the insurance coverages set forth herein with the insurers having no right of subrogation against either Party, any Affiliate or any Authorized Representative. The Parties shall look to each other for personal liability only to the extent that insurance proceeds are not available from the Party's insurer to fund fully the Hold Harmless obligations of such Party hereunder.

7.4. Completion of Project. Owner shall Hold Harmless Developer for any claims, damages, or losses incurred by Developer for completion of the Project under the respective Guaranties of Completion in the event of a default by Owner under the Construction Loan Documents.

ARTICLE 8
COMPENSATION

8.1. Development Fee.

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8.1.1. No Fee. Developer, acknowledges and agrees that Developer shall be materially benefited by the successful development of the Project for so long as Developer is a member of Owner. Accordingly, Developer agrees to perform its services hereunder for no consideration, except as expressly provided otherwise in this Article 8.

8.1.2. Fee Payable. In the event that Developer no longer owns a membership interest in Owner, Owner and the successors or assigns of Owner agree to pay to Developer a Development Fee which shall be an amount equal to five percent (5%) of the Initial Entrance Deposit on each settled Continuing Care Unit. The Development Fee shall be due and payable in accordance with the schedule attached hereto as Exhibit J. However the payment of the Development Fee is further subject to the provisions of subsection 8.1.3, and shall only be due and payable for Initial Entrance Deposits from Continuing Care Units that settle from and after the date Developer no longer has a membership interest in the Owner.

8.1.3. Required Suspension of Payment. The Development Fee shall accrue but payment shall be suspended during any period during which the Construction Lender is not obligated to fund the Development Fee under the Construction Loan. Except as limited by Section 9.1.2 or 9.1.4, the suspended and accrued Development Fee shall be paid when the condition(s) requiring suspension of payment is corrected. There shall be no suspension of payment of Expenses.

8.2. Expenses. In addition to the Development Fee, if any, payable in accordance with Section 8.1, Owner shall also compensate Developer for the expenses which are reasonably incurred by Developer in providing the services under this Agreement, to the extent that the categories of such expenses are included in the Approved Phase Budgets or the Approved Unallocated Annual Expense Summary (collectively the "Expenses"). Such expenses shall be payable monthly, as included in the Monthly Request pursuant to Section 6.5. and subject to Owner's right of audit of the Developer's back-up materials. Furthermore, there shall be no suspension of Owner's payment to Developer for these Expenses under the terms of Section 8.1. or otherwise.

8.3 Requisitions: Any expenses included in the general and administrative expenses of the Developer shall be separately scheduled and detailed in any requisition submitted by the Developer to the Owner for reimbursement. Any requisition containing reimbursements to the Developer for (i) expenses directly allocated to a Phase Budget shall be separately scheduled and subject to approval by the Owner, and (ii) for Unallocated Expenses shall be consistent with the approved Unallocated Annual Expense Summary.

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ARTICLE 9
TERMINATION OF AGREEMENT

9.1. Non-Default Termination.

9.1.1. Owner shall have the right to Terminate this Agreement ten (10) days after the Effective Date of a Notice to Developer if any of the following events occurs:

(a) Development of the Project is either abandoned by Owner or Owner intends to postpone development of the Project for more than ninety (90) days;

(b) The Property or a fifty percent (50%) or greater interest therein is sold to or controlled by an Entity which is not an Affiliate of Owner;

(c) All or any portion of the Project or the Land is damaged by casualty or any action or proceeding is filed or threatened under which the Project or the Land may be taken by condemnation or the right of eminent domain;

(d) Owner elects to obtain another Entity to act as the developer under this Agreement and gives Notice of such election to Developer prior to Commencement of Construction; or

(e) If there is a default remaining uncurred after any applicable notice and cure period by the Operator under the Master Lease.

9.1.2. In the event that Owner elects to Terminate this Agreement pursuant to this Section 9.1, Owner shall pay to Developer the portion of the Development Fee (if any) earned pursuant to Section 8.1 through the effective date of such Termination and the Expenses incurred through the effective date of Termination pursuant to Section 8.2, including reasonable winding up Expenses.

9.1.3. Developer shall have the right to resign as the developer under this Agreement and to Terminate this Agreement so long as Developer gives Notice of such election to Owner not less than one hundred twenty (120) days advance prior notice. The date of Termination pursuant to the preceding sentence shall be ten (10) days after the Effective Date of such Notice. In the event that Developer elects to terminate this Agreement pursuant to this Section 9.1.3, Owner shall pay to Developer the portion of the Development Fee earned pursuant to Section 8.1 through the effective date of such Termination and reimburse Developer for expenses incurred through the effective date of Termination pursuant to Section 8.2.

9.2. Termination by Owner. Owner shall have the right to Terminate this Agreement if any of the following events occurs (the "Developer Defaults"):

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9.2.1. Subject to the force majeure provisions of Section 9.8, Developer fails to observe or perform any of its obligations under this Agreement, and such failure is not cured within fifteen (15) days after the Effective Date of a Notice from Owner (provided, however, with respect to any matter not curable by the payment of money which is not reasonably capable of being cured within such fifteen (15) day period, the time period for curing shall be extended by an additional thirty (30) day period so long as Development promptly commences to cure the failure after the Effective Date and thereafter diligently prosecutes such cure);

9.2.2. Developer commingles any funds intended to be used for the Project with any funds of Developer, or uses funds intended to be used for the Project for purposes unrelated to the Project;

9.2.3. Developer suspends or discontinues business for more than ten (10) consecutive days;

9.2.4. Reserved;

9.2.5. Reserved;

9.2.6. Developer, pursuant to or within the meaning of the Bankruptcy Code, Title 11 U.S.C., or any other present or future federal, state or other common law, case law, statute or regulation relating to bankruptcy, insolvency, appointment of receivers or custodians, dissolution, or other relief for debtors (i) commences a voluntary case, or (ii) consents to or is subject to the entry of any order for relief against it in an involuntary case, or (iii) remains a debtor in an involuntary case for more than sixty (60) days after the commencement of such case, unless adequate security is posted or (iv) consents to or is subject to the appointment of a receiver, trustee, liquidator, custodian or other party serving a similar function, or (v) makes a general assignment for the benefit of creditors, or (vi) becomes insolvent, or (vii) is subject to the entry of an order for the liquidation of Developer;

9.2.7. Any fraud against Owner is perpetrated by Developer or if any representation or warranty of Developer made in this Agreement proves to be incorrect in any material respect when made; or

9.2.8. Subject to the force majeure provisions of Section 9.8, Developer fails to complete any Phase of the Project (as listed on the attached Development Plan) within one hundred five percent (105%) of the Approved Phase Budget, including Contingencies for such Phase Budget, [as such Phase Budget may be amended from time to time pursuant to Approved change orders (including those within the "Aggregate Maximum without Approval") as provided herein]; provided, however, that Developer shall have a sixty (60) day period to cure such failure after notice. This provision for Termination shall not apply to the Phase Forecasts as listed in Exhibit E until the Phase Forecasts are Approved as a Phase Budget by Owner.

Upon the occurrence of any Developer Default (without cure during the time specified), Owner shall have the right, at any time after the expiration of any applicable cure periods, to give Notice to Developer terminating this Agreement and to exercise such other remedies as may be provided by law or in equity including a right to set-off against the Development Fee and Expenses. In the event of a Developer Default, Developer shall not be entitled any further Development Fee as provided in Section 8.1 but shall be entitled to reimbursement for any Expenses incurred through the effective date of such Termination as provided in Section 8.2.

9.3. Causes for Termination by Developer. Developer shall have the right to Terminate this Agreement if any of the following events occurs (the "Owner Defaults"):

9.3.1. Owner fails to observe or perform any of its obligations under this Agreement, and such failure is not cured within twenty (20) days after the Effective Date of a Notice from Developer (provided, however, with respect to any matter not curable by the payment of money which is not reasonably capable of being cured within such twenty (20) day period, the time period for curing shall be extended to forty-five (45) days so long as Owner promptly commences to cure the failure after the Effective Date and thereafter diligently prosecutes such cure); or

9.3.2. Owner, pursuant to or within the meaning of the Bankruptcy Code, Title 11 U.S.C., or any other present or future federal, state or other common law, case law, stature or regulation relating to bankruptcy, insolvency, appointment of receivers or custodians, dissolution or other relief for debtors (i) commences a voluntary case, or (ii) consents to or is subject to the entry of any order for relief against it in an involuntary case, or (iii) remains a debtor in an involuntary case for more than sixty (60) days after the commencement of such case, or (iv) consents to or is subject to the appointment of a receiver, trustee, liquidator, custodian or other party serving a similar function, or (v) makes a general assignment for the benefit of creditors, or (vi) becomes insolvent, or (vii) is subject to the entry of an order for the liquidation of Owner.

Upon the occurrence of any Owner Default, Developer shall have the right at any time after the final expiration of the aforesaid curative periods to give Notice to Owner terminating this Agreement and to exercise any other remedies that may be provided at law or in equity. Owner shall pay to Developer the portion of the Development Fee earned pursuant to Section 8.1 through the effective date of such Termination and reimburse Developer for Expenses incurred through the effective date of Termination pursuant to Section 8.2.

9.4. Other Remedies. If either Party shall institute an action or proceeding against the other Party relating to this Agreement, the unsuccessful Party in such action or proceeding shall reimburse the successful Party for its costs and expenses incurred in connection therewith (including without limitation expert witness and consultant fees) and for its reasonable attorney fees actually incurred at both the trial and appellate levels. For the purposes of this Agreement, the "successful Party" shall be deemed to be the Party which obtains substantially the result sought, whether by settlement, dismissal, judgment or otherwise. The Termination of this Agreement by either Developer or Owner by reason of default by the other Party, as aforesaid, shall not relieve any Party

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of any of its obligations theretofore accrued under this Agreement prior to the effective date of such Termination.

9.5. Remedies Not Exclusive. The rights and remedies under this Agreement shall not be mutually exclusive. The exercise of one or more of the rights and remedies under this Agreement shall not preclude the exercise of any other right or remedy. Damages at law may not be an adequate remedy for a breach or threatened breach of this Agreement and in the event of a breach or threatened breach of any provision hereunder the respective rights and obligations hereunder shall be enforceable by specific performance, injunction or other equitable remedy.

9.6. Action Upon Expiration or Termination. Upon the Expiration or Termination of this Agreement, Developer shall promptly (a) surrender and deliver to Owner any space in the Project occupied by Developer during the construction phase, (b) deliver to Owner or to Owner's designee any funds of Owner held by Developer, (c) deliver to Owner all books, records, keys, Drawings and Specifications, permits and other governmental approvals, contracts, receipts for deposits, unpaid bills, canceled checks, bank statements, paid bills and all other records, papers and documents which relate to the Project which are or should be in Developer's possession or control, (d) deliver to Owner all marketing brochures, promotional materials and records, and (e) furnish all such information and take all such action as Owner shall reasonably require (including, without limitation, cooperating with the new developer) to effectuate an orderly and systematic transfer of Developer's duties under this Agreement to a new person designated by Owner. Developer shall deliver to Owner a final accounting (prepared in accordance with the terms of this Agreement) of the Project up to and including the effective date of the Termination or Expiration within thirty (30) days after such effective date.

9.7. Survival. Notwithstanding the termination of this Agreement, the provisions of Article 7 and Sections 6.6, 9.6 and 10.9 shall survive Termination or Expiration.

9.8. Force Majeure. In the event that Developer shall be delayed, hindered or prevented from the performance of any act required hereunder by reason of labor strikes by Contractors or other actions, inability to procure materials or labor after diligent effort because of market shortages or strikes at the manufacturing plant or transportation facilities, newly imposed restrictive governmental actions, laws or regulations, insurrection, war, acts of God, unusual and extreme governmental delay, unusually adverse weather conditions, then performance of any such act shall be extended for the lesser of (i) six (6) months or (ii) the time of such delay. All Phases effected by such event shall be subject to an extension for such delay.

ARTICLE 10
MISCELLANEOUS

10.1. Entire Agreement. This Agreement, including all exhibits, attachments and addenda hereto, contains the entire understanding between the Parties with respect to the subject matter hereof and supersedes any prior proposals, understanding and agreements between them, either oral or

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written, respecting such subject matter. All amendments of or modifications to this Agreement must be in writing signed by the Parties.

10.2. No Partnership; Competition. The Owner shall not and does not by this Agreement in any way or for any purpose become a partner of the Developer in the conduct of its business, or otherwise, or a Joint Venture of or a member of a Joint Enterprise with the Developer. The Developer is and shall, for all purposes of this Agreement and the development of the Project, be deemed an independent contractor of the Owner. It is expressly understood and agreed by the Parties hereto that, except as may be otherwise provided in that certain Multi-Party Agreement between the Parties, either Party may engage in any other business or investment, including the ownership of or investment in real estate, and that the other Party hereto shall have no rights in and to any such business or investment or the income or profit derived therefrom.

10.3. Notice. Each notice (a "Notice") shall be in writing and shall be sent by hand delivery or by depositing it with the United States Postal Services or any official successor thereto, certified or registered mail, return receipt requested, with adequate postage prepaid, or with a nationally recognized overnight courier service which obtains receipts, addressed to the appropriate Party (and marked with a particular individual's attention if so indicated). Copies of Notices shall be sent simultaneously by telecopier if a telecopier number is specified below or in a subsequent Notice. Each Notice must state expressly that it is a Notice pursuant to this Agreement and must identify this Agreement by title, date, names of the Parties, and name of the Project. Each Notice shall be effective upon being so deposited, but the time period in which a response to any Notice must be given or any action taken with respect thereto shall commence to run from the date of receipt of the Notice by the addressee thereof, as evidenced by a return receipt (the "Effective Date"). Rejection or other refusal by the addressee to accept or inability to deliver because of a changed address of which no Notice was given shall be deemed to be receipt of the Notice sent. Any Party shall have the right from time to time to change the address or individual's attention to which Notices to it shall be sent and to specify up to two additional addresses to which copies of Notices to it shall be sent by giving the other Party Notice thereof. Notices may be sent on behalf of a Party to its counsel. The addresses of the Parties are as follows:

If to the Owner:	Novi Campus, LLC 701 Maiden Choice Lane Catonsville, Maryland 21228 Attn: General Counsel
If to Developer:	Erickson Retirement Communities, LLC 701 Maiden Choice Lane Catonsville, Maryland 21228 Attn: Andrew V. Aldi, Executive Vice President
With a copy to:	Erickson Retirement Communities , LLC 701 Maiden Choice Lane

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Catonsville, Maryland 21228
Attn: General Counsel

10.4. Assignment. Except as expressly authorized in this Agreement, this Agreement shall not be assigned by either Party without the written consent of the other Party and any attempted assignment without written consent shall be void. The Owner may assign this Agreement to a lender as security for a loan to Owner, without the written consent of Developer.

10.5. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns. Whenever the terms "Owner" and "Developer" are used herein, they shall be deemed to mean and include the Owner and the Developer and their respective successors and permitted assigns in the same manner and to the same extent as if specified each time said terms appear herein.

10.6. Waivers. Failure by either Party to complain of any action, non-action or default of the other Party hereunder shall not constitute a waiver of the aggrieved Party's rights hereunder unless expressed in a writing executed by such aggrieved Party. Waiver by either Party of any right for any default of the other Party, including a waiver determined to occur as the result of an action or inaction, shall not constitute a waiver of any right for either a subsequent default of the same obligation or for any other default, past, present or future.

10.7. Partial Invalidity. If any term, covenant or condition of this Agreement, or the application thereof to any person or circumstance, shall ever be held to be invalid or unenforceable, then in each event the remainder of this Agreement or the application of such term, covenant or condition to any other person or any other circumstance (other than those as to which it shall be invalid or unenforceable) shall not be thereby affected and each term, covenant, condition and provision hereof shall remain valid and enforceable to the fullest extent permitted by laws.

10.8. Authority to Execute Contracts. Except as expressly provided herein, Developer shall not have the authority to execute any instrument or document on behalf of Owner and any instrument or document so executed by Developer shall not be binding on Owner.

10.9. Ownership of Documents and Confidentiality. Owner and Developer agree that the design, marketing and construction concepts and the leasing and Residence and Care forms are the property of Developer. Contemporaneously with the execution of this Agreement, Developer has irrevocably granted to Owner the right to use same without additional consideration for use only at the Project pursuant to a letter of agreement in the form attached hereto as Exhibit I, which right shall survive termination of this Agreement. The Project-specific Drawings and Specifications, computations, sketches, test data, survey results, models, photographs, renderings, leases, marketing brochures and any other material related to the Project and prepared by Architect, Contractor, or Developer are the property of Owner. Developer shall treat all information relating to the Project and all information supplied to Developer by Owner or Architect as confidential information of Owner.

10.10. Exculpation. Developer agrees that the members, officers, employees, agents, or representatives of Owner shall not be personally liable for any obligation of Owner hereunder, and that Developer shall look solely to Owner's interest in the Project in the enforcement of any claims against Owner arising under this Agreement. Owner agrees that Developer shall not be responsible for any funds required to construct the Project.

10.11. No Third Party Beneficiary. No other Entity other than Owner and Developer is or shall be entitled to bring any action to enforce any provisions of this Agreement. The provisions of this Agreement are solely for the benefit of and shall be enforceable only by Owner and Developer and their respective successors and assigns.

10.12. Affiliates of Developer. Any contract of any kind whatsoever affecting or in connection with the Project between the Developer and any Affiliate of Developer shall be subject to Owner's prior Approval, which Approval may be withheld by Owner in its sole discretion.

10.13. Lien Waiver. Developer hereby expressly and irrevocably waives and renounces all lien rights it may have with respect to the Project by virtue of the performance of its duties and responsibilities hereunder.

10.14. Interpretation. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders. The singular shall include the plural, and the plural shall include the singular. Title of articles and sections in this Agreement are for convenience only and neither limit nor amplify the provisions of this Agreement. All references in this Agreement to articles, sections, subsections, or paragraphs shall refer to articles, sections, subsections, or paragraphs of this Agreement, unless specific reference is made to another document instrument. This Agreement shall not be interpreted in favor of either Party by virtue of said Party not having prepared this Agreement. If any time period provided for in this Agreement ends on a day other than a Business Day, the time period shall be extended to the next business day. Time is of the essence in this Agreement.

10.15. Governing Law. This Agreement shall be construed and the legal relationships between the parties shall be governed by the laws of the State of Maryland.

10.16. Authority. Each individual signing this Agreement on behalf of a legal Entity represents that such individual is the Authorized Representative of such legal Entity.

10.17. Counterpart Execution. This Agreement may be executed in several counterparts and shall be deemed fully executed when each Party has signed at least one counterpart, even though no single counterpart contains the signatures of all Parties.

10.18. Exhibits. The following Exhibits are attached hereto and are hereby made a part hereof.

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Exhibit A Description of Land
Exhibit B List of Agreements for Construction of Project
Exhibit C Development Plan
Exhibit D Narrative Description of Project
Exhibit E Form of Phase Forecasts and Unallocated Annual Expense Summary
Exhibit F Marketing Report Form
Exhibit G Project Staff
Exhibit H Monthly Report Form
Exhibit I Letter of Agreement
Exhibit J Development Fee Schedule

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

WITNESS:

OWNER: NOVI CAMPUS, LLC
By: Erickson Retirement Communities, LLC, Member

By: _____
Jeffrey A. Jacobson
Senior Vice President

WITNESS:

DEVELOPER: ERICKSON RETIREMENT COMMUNITIES, LLC

By: _____
Andrew V. Aldi
Executive Vice President

APPROVED AS TO LEGAL SUFFICIENCY

Bank Of America - CD#13 - Control ID#1133

FOX RUN VILLAGE
DEVELOPMENT AGREEMENT

EXHIBIT A
DESCRIPTION OF LAND

Legal descriptions of the parcels constituting the Land are attached hereto.

EXHIBIT A

Legal Description

Situated in the City of Novi, Oakland County, Michigan, described as:

PARCEL 1:

Part of the West 1/2 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distance North 03 degrees 29 minutes 02 seconds West, 60.01 feet from the Southwest section corner; thence North 03 degrees 29 minutes 02 seconds West, 2589.96 feet; thence North 02 degrees 29 minutes 30 seconds West, 629.93 feet; thence North 86 degrees 56 minutes 53 seconds East, 691.50 feet; thence South 02 degrees 33 minutes 40 seconds East, 629.62 feet; thence South 03 degrees 22 minutes 24 seconds East, 2596.88 feet; thence South 87 degrees 31 minutes 40 seconds West, 687.34 feet to the point of beginning.

PARCEL 2:

The East 123.00 feet of the West 280.00 feet of the South 354.14 feet of the East 1/2 of the West 1/2 of Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, except the South 60.00 feet taken for road.

PARCEL 3:

Part of the East 1/2 of the West 1/2 of the Southwest 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, described as: Beginning at a point distant East 280.00 feet from Southwest corner thereof; thence North 354.14 feet; thence East 227.00 feet; thence South 354.14 feet; thence West 227.00 feet to the point of beginning, except that part in parcel described as: Beginning at point distant South 87 degrees 31 minutes 40 seconds West, 1500.00 feet and North 02 degrees 28 minutes 20 seconds West, 55.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 200.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet to the point of ending.

PARCEL 4:

The East 1/2 of the West 1/2 of the Southwest 1/4, also the East 1/2 of the West 1/2 of the Northwest fractional 1/4 except the North 40 acres, of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, also except the East 350.00 feet of the West 507.00 feet of the South 354.14 feet, also except that part taken for the widening of Thirteen Mile Road described as lying Southerly of the following described line: Beginning at a point distance South 87 degrees 31 minutes 40 seconds West, 1300.00 feet and North 02 degrees 28 minutes 20 seconds West, 70.00 feet from the South 1/4 corner; thence South 87 degrees 31 minutes 40 seconds West, 100.00 feet; thence South 02 degrees 28 minutes 20 seconds East, 15.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 300.00 feet; thence North 02 degrees 28 minutes 20 seconds West, 5.00 feet; thence South 87 degrees 31 minutes 40 seconds West, 450.00 feet to the point of beginning.

ALSO DESCRIBED AS:

Part of the West ½ of Section 1, Town 1 North, Range 8 East, City of Novi, Ookland County, Michigan, described as: Commencing at the Southwest Corner of Section 1, Town 1 North, Range 8 East; thence along the West Line of Section 1, North 03°28'39" West 60.01 feet to the POINT OF BEGINNING; thence continuing along the West Line of Section 1, North 03°28'39" West 2590.40 feet to the West ¼ Corner of Section 1, Town 1 North, Range 8 East; thence along the West Line of Section 1 and along the boundary of "The Maples of Novi, Maple Hills", Oakland County Condominium Plat No. 627, North 02°28'35" West 649.69 feet; thence continuing along the boundary of "The Maples of Novi, Maple Hills" the following two (2) courses: one (1) North 87°21'41" East 682.69 feet and two (2) North 03°11'10" West 2.24 feet; thence along the south boundary of "Haverhill Farms", Oakland County Condominium Plat No. 912, North 87°19'27" East 693.69 feet; thence South 03°16'01" East 3236.69 feet to a point 70.00 feet North of the South Line of Section 1, thence along the North Line of Thirteen Mile Road the following five (5) courses: one (1) South 87°31'40" West 25.33 feet, two (2) South 02°28'20" East 15.00 feet, three (3) South 87°31'40" West 300.00 feet, four (4) North 02°28'20" West 5.00 feet, and five (5) South 87°31'40" West 1050.40 feet to the POINT OF BEGINNING. Contains 102.817 Acres.

Bank Of America - CD#13 - Control ID#1133

FOX RUN VILLAGE
DEVELOPMENT AGREEMENT

EXHIBIT B
LIST OF AGREEMENTS FOR CONSTRUCTION OF PROJECT

None

Bank Of America - CD#13 - Control ID#1133

FOX RUN VILLAGE
DEVELOPMENT AGREEMENT

EXHIBIT C
DEVELOPMENT PLAN

Bank Of America - CD#13 - Control ID#1133

NOVI CAMPUS, LLC
DEVELOPMENT AGREEMENT

Exhibit C
Development Plan

I. Phase Forecasts
II. Schedule of Estimated Completion Dates
III. Schedule of Entrance Deposits
IV. Phases I Through III Projected Cashflow
V. Marketing Proforma
VI. Site Plan
VII. Unallocated Expenses Forecast

NOVI CAMPUS, LLC
DEVELOPMENT PLAN
Phase Forecasts
Prepared: January 16, 2002

EXHIBIT C
CONSTRUCTION PHASES

JDE Project #	Phase	Indp. No. of Units	HCC No. of Beds	Square Footage	Inflated Cost/sf $	Building Costs**	Sitework	Total Hard Costs	Construction Fees	Fees/ Permits	Architecture Costs	Engineering Costs	Builder's Risk 0.1%	Development Fees 5%	Estimated Contingency	Total Direct Costs	Entrance Deposits
MAPL	Masterplan									251,000	297,000	500,000	0		0	1,048,000	
MC10	Marketing Center Trailer					400,000		400,000	6,000		20,250	0	400		20,000	446,650	
SW10	Sitework 1						8,011,100	8,011,100	120,167			500,000	8,011		400,555	9,039,833	
GH10	Gatehouse 1			97		200,000		200,000	3,000	2,500	17,415		200		10,000	233,115	
CB10	Community Bldg 1.0/Pool			50,000	185.66	9,283,000		9,283,000	139,245	60,200	413,652		9,283		276,490	10,183,870	
RB11	Residential Building 1.1	0		123,560	84.87	10,486,537		10,486,537	157,298	449,180	225,694		10,487	1,135,940	314,596	12,779,733	22,718,800
RB12	Residential Building 1.2	0		114,500	84.87	9,717,615		9,717,615	145,764	428,060	224,998		9,718	1,135,414	291,528	11,953,097	22,708,280
RB13	Residential Building 1.3	0		130,800	87.42	11,434,536		11,434,536	171,518	461,660	192,366		11,435	1,208,167	343,036	13,822,718	24,183,340
PKD1	Parking Deck #1					1,170,979		1,170,979	17,565	15,565	108,587		1,171		35,129	1,348,998	
RB14	Residential Building 1.4	0		139,820	87.42	12,223,064		12,223,064	183,346	482,660	220,930		12,223	1,291,386	366,692	14,780,301	25,827,710
RB15	Residential Building 1.5	119		145,200	90.04	13,073,808		13,073,808	196,107	508,892	231,714		13,074	1,355,347	392,214	15,770,956	27,106,937
BR10	BR 1.0 (RB 1.2 to CB 1.0)			50	2,985.33	149,267		149,267	2,239		161,831		149		4,478	317,964	
BR20	BR 2.0 (RB 2.1 to CB 2.0)			150	3,167.14	475,071		475,071	7,126				475		14,252	496,924	
SW20	Sitework 2 (includes NH2)					0	6,237,349	6,237,349	93,560			500,000	6,237		311,867	7,149,014	
PKD2	Parking Deck #2					1,205,754		1,205,754	18,086	16,331	39,926		1,206		36,173	1,317,476	
RB21	Residential Building 2.1	140		163,360	90.04	14,708,934		14,708,934	220,634	585,750	274,394		14,709	1,595,703	441,268	17,841,392	31,914,055
EC10	Extended Care Phase 1		136	97,000	171.57	16,642,290		16,642,290	249,634	227,138	1,080,000		16,642	986,800	499,269	19,701,773	19,736,000
BR30	BR 3.0 (RB 2.3 to ECC 1)			137	3,262.15	446,915		446,915	6,704				447		13,407	467,473	
CB20	Community Building 2.0			50,000	202.87	10,618,571		10,618,571	159,279	83,683	527,148		10,619		318,557	11,697,857	
RB22	Residential Building 2.2	100		119,190	92.74	11,053,681		11,053,681	165,805	448,362	174,590		11,054	1,253,956	331,610	13,439,059	25,079,126
CB11	Transitional Spaces					150,000		150,000	2,250				150		4,500	156,900	
RB23	Residential Building 2.3	116		148,527	92.74	13,774,416		13,774,418	206,616	511,209	203,727		13,774	1,465,676	413,232	16,588,651	29,313,518
RB24	Residential Building 2.4	102		125,300	95.52	11,968,656		11,968,656	179,530	456,764	189,945		11,969	1,254,655	359,060	14,420,578	25,093,091
RB25	Residential Building 2.5	91		111,750	95.52	10,674,360		10,674,360	160,115	414,931	192,930		10,674	1,118,767	320,231	12,892,008	22,375,339
PKD3	Parking Deck #3					1,170,635		1,170,635	17,560	15,943	50,830		1,171		35,119	1,291,258	
CH10	Chapel			8,160	268.66	2,192,266		2,192,266	32,884		115,895		2,192		65,768	2,408,805	
MB10	Maintenance Building					400,000		400,000	6,000	13,599	8,640		400		12,000	440,639	
BR60	BR 6.0 (RB 3.2 to CB 3.0)			66	3,262.15	215,302		215,302	3,230				215		6,459	225,206	
BR70	BR 7.0 (CB 3.0 to RB 3.3)			60	3,460.82	207,649		207,649	3,115				208		6,229	217,201	
BR80	BR 8.0 (RB 3.3 to RB 3.4)			76	3,460.82	263,022		263,022	3,945				263		7,891	275,121	
BR40	BR 4.0 (RB 3.1 to RB 2.5)			99	3,360.02	332,642		332,642	4,990				333		9,979	347,944	
SW30	Sitework 3 (includes NH3)					0	3,442,931	3,442,931	51,644			500,000	3,443		172,147	4,170,165	
RB31	Residential Building 3.1	114		141,690	95.52	13,534,275		13,534,275	203,014	508,369	212,730		13,534	1,465,277	406,028	16,343,247	29,305,536
BR50	BR 5.0 (CB 3.1 to RB 3.2)			182	3,360.02	611,524		611,524	9,173				612		18,346	639,655	
CB30	Community Building 3.0			43,000	215.23	9,254,890		9,254,890	138,823	67,379	501,545		9,255		277,647	10,249,539	
RB32	Residential Building 3.2	87		103,852	98.39	10,218,028		10,218,026	153,270	409,128	239,632		10,218	1,165,015	308,541	12,501,832	23,300,295
RB33	Residential Building 3.3	109		121,000	98.39	11,905,190		11,905,190	178,578	499,908	175,697		11,905	1,382,835	357,156	14,511,268	27,656,695
RB34	Residential Building 3.4	93		103,936	101.34	10,532,874		10,532,874	157,993	450,231	138,785		10,533	1,196,333	315,986	12,802,735	23,926,663
EC20	Extended Care Phase 2		182	110,000	187.48	20,622,800		20,622,800	309,342	244,060	810,000		20,623	1,208,900	618,684	23,834,409	24,176,000
SW40	Sitework 4					0	1,648,488	1,648,488	24,727			0	1,648		49,455	1,724,318	
	Totals	1,071	318	2,151,563	28,845	241,318,551	19,339,869	260,858,420	3,909,876	7,592,321	7,050,653	2,000,000	260,660	20,220,169	8,185,580	309,877,680	404,403,385

Bank Of America - CD#13 - Control ID#1133

NOVI CAMPUS, LLC

SCHEDULE OF ESTIMATED COMPLETION DATES

PREPARED: JANUARY 16, 2002

Project	Construction Start	Substantially Completed	Units
Masterplan	Jul-01		
Marketing Center Trailer	Jul-01	Oct-01	
Sitework 1	Mar-02	Jul-05	
Gatehouse 1	Jan-03	May-03	
Community Bldg 1.0/Pool	Jun-02	Jun-03	
Residential Building 1.1	Jun-02	Jun-03	103
Sitework 1B	Jan-00		
Residential Building 1.2	Oct-02	Oct-03	99
Off Sitework	Mar-02		
Residential Building 1.3	Apr-03	Mar-04	110
Parking Deck #1	Sep-04	Mar-05	
Residential Building 1.4	Sep-03	Sep-04	114
Residential Building 1.5	Apr-04	Mar-05	119
BR 1.0 (RB 1.2 to CB 1.0)	May-03	Oct-03	
BR 2.0 (RB 2.1 to CB 2.0)	Oct-05	Mar-06	
Sitework 2 (includes NH2)	Apr-04	Dec-07	
Parking Deck #2	Mar-06	Sep-06	
Residential Building 2.1	Sep-04	Sep-05	140
Extended Care Phase 1	Sep-05	Dec-06	136
BR 3.0 (RB 2.3 to ECC 1)	Jul-06	Dec-06	
Community Building 2.0	Mar-05	Mar-06	
Residential Building 2.2	May-05	Apr-06	100
Transitional Spaces	Apr-06	Jun-06	
Residential Building 2.3	Sep-05	Sep-06	116
Residential Building 2.4	Apr-06	Apr-07	102
Residential Building 2.5	Jul-06	Jul-07	91
Parking Deck #3	Sep-05	Mar-06	
Chapel	Oct-06	Aug-07	
Maintenance Building	Jul-06	Dec-06	
BR 6.0 (RB 3.2 to CB 3.0)	Apr-06	Sep-06	
BR 7.0 (CB 3.0 to RB 3.3)	Mar-08	Aug-08	
BR 8.0 (RB 3.3 to RB 3.4)	Sep-08	Feb-09	
BR 4.0 (RB 3.1 to RB 2.5)	May-07	Oct-07	
Sitework 3 (Includes NH3)	Oct-06	Jul-09	
Residential Building 3.1	Oct-06	Oct-07	114
BR 5.0 (CB 3.1 to RB 3.2)	Nov-07	Apr-08	
Community Building 3.0	Mar-07	Mar-08	
Residential Building 3.2	May-07	Apr-08	87
Residential Building 3.3	Aug-07	Aug-08	109
Residential Building 3.4	Mar-08	Feb-09	93
Extended Care Phase 2	Dec-08	Dec-09	182
Sitework 4	May-05	Feb-07	
Total			1815

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Jun-03

Residential Building 1.1		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	74,000	-	-
Efficiency	A3	Albright	91,000	-	-
Studio	B2	Abbott	113,000	-	-
Studio	B?	?	113,000	-	-
Studio	B4	Avalon	113,000	2	226,000
1 BR	C1	Brighton	156,000	22	3,432,000
1 BR	C5	Bradford	143,000	-	-
Large 1 BR	C2	Ellicott	180,000	-	-
Large 1 BR	C8	Dawson	179,000	2	358,000
Large 1 BR	C3	Dover	178,000	4	712,000
Large 1 BR	C4	Fremont	187,000	-	-
Large 1 BR	C7	Fenwick	171,000	2	342,000
Large 1 BR	C11	Easton	166,000	1	166,000
Large 1 BR	C12	?	192,000	-	-
Large 1 BR-1-1/2B	G10	Hamilton	211,000	3	633,000
1 BR & Den	D1	Georgetown	208,000	4	832,000
1 BR & Den	D2	Gilbert	208,000	4	832,000
1 BR & Den	D5	Glendale	208,000	-	-
1 BR & Den	D6	Gibson	208,000	4	832,000
2 BR-1B	E1	Flagstaff	196,000	3	588,000
2 BR-1B	E1m	Fallston	196,000	4	784,000
2 BR-1B	E2	Fairmont	207,000	7	1,449,000
2 BR-1B	E3	Franklin	218,000	-	-
2 BR-1B	G4	Harrison	218,000	8	1,744,000
2 BR-(1-1/2)B	E4	Hastings	242,000	7	1,694,000
1 BR-(1-1/2)B	H2	Heritage	208,000	-	-
2 BR-2B	F3	Kingston	275,000	5	1,375,000
2 BR-2B Large	F4	Manchester	315,000	10	3,150,000
2 BR-2B with Den	F6	Monterey	315,000	-	-
2 BR-2B with Den	F8	Worthington	315,000	-	-
2 BR-2B	G6	Jackson	275,000	6	1,650,000
2 BR-2B Large	H1	Lancaster	368,000	5	1,840,000
2 BR-2B Large	J3	Washington	376,000	-	-
Projected Deposits without Amenities				**103**	**22,639,000**
Total Amenities					**79,800**
Total Projected Deposits					**22,718,800**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Oct-03

Residential Building 1.2		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	74,000	-	-
Efficiency	A3	Albright	91,000	1	91,000
Studio	B2	Abbott	113,000	-	-
Studio	B?	?	113,000	-	-
Studio	B4	Avalon	113,000	-	-
1 BR	C1	Brighton	156,000	17	2,652,000
1 BR	C5	Bradford	143,000	-	-
Large 1 BR	C2	Ellicott	180,000	-	-
Large 1 BR	C8	Dawson	179,000	2	358,000
Large 1 BR	C3	Dover	178,000	-	-
Large 1 BR	C4	Fremont	187,000	5	935,000
Large 1 BR	C7	Fenwick	171,000	-	-
Large 1 BR	C11	Easton	166,000	-	-
Large 1 BR	C12	?	192,000	-	-
Large 1 BR-1-1/2B	G10	Hamilton	211,000	5	1,055,000
1 BR & Den	D1	Georgetown	208,000	3	624,000
1 BR & Den	D2	Gilbert	208,000	3	624,000
1 BR & Den	D5	Glendale	208,000	-	-
1 BR & Den	D6	Gibson	208,000	-	-
2 BR-1B	E1	Flagstaff	196,000	10	1,960,000
2 BR-1B	E1m	Fallston	196,000	-	-
2 BR-1B	E2	Fairmont	207,000	8	1,656,000
2 BR-1B	E3	Franklin	218,000	-	-
2 BR-1B	G4	Harrison	218,000	7	1,526,000
2 BR-(1-1/2)B	E4	Hastings	242,000	5	1,210,000
1 BR-(1-1/2)B	H2	Heritage	208,000	-	-
2 BR-2B	F3	Kingston	275,000	10	2,750,000
2 BR-2B Large	F4	Manchester	315,000	10	3,150,000
2 BR-2B with Den	F6	Monterey	315,000	-	-
2 BR-2B with Den	F8	Worthington	315,000	-	-
2 BR-2B	G6	Jackson	275,000	8	2,200,000
2 BR-2B Large	H1	Lancaster	368,000	5	1,840,000
2 BR-2B Large	J3	Washington	376,000	-	-
Projected Deposits without Amenities				**99**	**22,631,000**
Total Amenities					**77,280**
Total Projected Deposits					**22,708,280**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Mar-04

Residential Building 1.3		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	76,220	-	-
Efficiency	A3	Albright	93,730	-	-
Studio	B2	Abbott	116,390	-	-
Studio	B?	?	116,390	-	-
Studio	B4	Avalon	116,390	-	-
1 BR	C1	Brighton	160,680	18	2,892,240
1 BR	C5	Bradford	147,290	-	-
Large 1 BR	C2	Ellicott	185,400	-	-
Large 1 BR	C8	Dawson	184,370	2	368,740
Large 1 BR	C3	Dover	183,340	5	916,700
Large 1 BR	C4	Fremont	192,610	6	1,155,660
Large 1 BR	C7	Fenwick	176,130	-	-
Large 1 BR	C11	Easton	170,980	-	-
Large 1 BR	C12	?	197,760	-	-
Large 1 BR-1-1/2B	G10	Hamilton	217,330	5	1,086,650
1 BR & Den	D1	Georgetown	214,240	5	1,071,200
1 BR & Den	D2	Gilbert	214,240	4	856,960
1 BR & Den	D5	Glendale	214,240	-	-
1 BR & Den	D6	Gibson	214,240	6	1,285,440
2 BR-1B	E1	Flagstaff	201,880	11	2,220,680
2 BR-1B	E1m	Fallston	201,880	6	1,211,280
2 BR-1B	E2	Fairmont	213,210	10	2,132,100
2 BR-1B	E3	Franklin	224,540	-	-
2 BR-1B	G4	Harrison	224,540	10	2,245,400
2 BR-(1-1/2)B	E4	Hastings	249,260	5	1,246,300
1 BR-(1-1/2)B	H2	Heritage	214,240	-	-
2 BR-2B	F3	Kingston	283,250	5	1,416,250
2 BR-2B Large	F4	Manchester	324,450	-	-
2 BR-2B with Den	F6	Monterey	324,450	-	-
2 BR-2B with Den	F8	Worthington	324,450	-	-
2 BR-2B	G6	Jackson	283,250	6	1,699,500
2 BR-2B Large	H1	Lancaster	379,040	6	2,274,240
2 BR-2B Large	J3	Washington	387,280	-	-
Projected Deposits without Amenities				**110**	**24,079,340**
Total Amenities					**84,000**
Total Projected Deposits					**24,163,340**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Sep-04

Residential Building 1.4		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	76,220	-	-
Efficiency	A3	Albright	93,730	1	93,730
Studio	B2	Abbott	116,390	-	-
Studio	B?	?	116,390	-	-
Studio	B4	Avalon	116,390	-	-
1 BR	C1	Brighton	160,680	15	2,410,200
1 BR	C5	Bradford	147,290	-	-
Large 1 BR	C2	Ellicott	185,400	2	370,800
Large 1 BR	C8	Dawson	184,370	2	368,740
Large 1 BR	C3	Dover	183,340	-	-
Large 1 BR	C4	Fremont	192,610	11	2,118,710
Large 1 BR	C7	Fenwick	176,130	1	176,130
Large 1 BR	C11	Easton	170,980	-	-
Large 1 BR	C12	?	197,760	-	-
Large 1 BR-1-1/2B	G10	Hamilton	217,330	4	869,320
1 BR & Den	D1	Georgetown	214,240	5	1,071,200
1 BR & Den	D2	Gilbert	214,240	-	-
1 BR & Den	D5	Glendale	214,240	-	-
1 BR & Den	D6	Gibson	214,240	5	1,071,200
2 BR-1B	E1	Flagstaff	201,880	11	2,220,680
2 BR-1B	E1m	Fallston	201,880	5	1,009,400
2 BR-1B	E2	Fairmont	213,210	9	1,918,890
2 BR-1B	E3	Franklin	224,540	4	898,160
2 BR-1B	G4	Harrison	224,540	6	1,347,240
2 BR-(1-1/2)B	E4	Hastings	249,260	7	1,744,820
1 BR-(1-1/2)B	H2	Heritage	214,240	-	-
2 BR-2B	F3	Kingston	283,250	5	1,416,250
2 BR-2B Large	F4	Manchester	324,450	-	-
2 BR-2B with Den	F6	Monterey	324,450	-	-
2 BR-2B with Den	F8	Worthington	324,450	5	1,622,250
2 BR-2B	G6	Jackson	283,250	11	3,115,750
2 BR-2B Large	H1	Lancaster	379,040	5	1,895,200
2 BR-2B Large	J3	Washington	387,280	-	-
Projected Deposits without Amenities				**114**	**25,738,670**
Total Amenities					**89,040**
Total Projected Deposits					**25,827,710**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available

Mar-05

Residential Building 1.5		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	78,507	-	-
Efficiency	A3	Albright	96,542	-	-
Studio	B2	Abbott	119,882	-	-
Studio	B?	?	119,882	-	-
Studio	B4	Avalon	119,882	2	239,763
1 BR	C1	Brighton	165,500	21	3,475,508
1 BR	C5	Bradford	151,709	-	-
Large 1 BR	C2	Ellicott	190,962	-	-
Large 1 BR	C8	Dawson	189,901	2	379,802
Large 1 BR	C3	Dover	188,840	-	-
Large 1 BR	C4	Fremont	198,388	5	991,942
Large 1 BR	C7	Fenwick	181,414	-	-
Large 1 BR	C11	Easton	176,109	-	-
Large 1 BR	C12	?	203,693	-	-
Large 1 BR-1-1/2B	G10	Hamilton	223,850	6	1,343,099
1 BR & Den	D1	Georgetown	220,667	6	1,324,003
1 BR & Den	D2	Gilbert	220,667	5	1,103,336
1 BR & Den	D5	Glendale	220,667	-	-
1 BR & Den	D6	Gibson	220,667	5	1,103,336
2 BR-1B	E1	Flagstaff	207,936	5	1,039,682
2 BR-1B	E1m	Fallston	207,936	5	1,039,682
2 BR-1B	E2	Fairmont	219,606	9	1,976,457
2 BR-1B	E3	Franklin	231,276	6	1,387,657
2 BR-1B	G4	Harrison	231,276	8	1,850,210
2 BR-(1-1/2)B	E4	Hastings	256,738	11	2,824,116
1 BR-(1-1/2)B	H2	Heritage	220,667	1	220,667
2 BR-2B	F3	Kingston	291,748	11	3,209,223
2 BR-2B Large	F4	Manchester	334,184	-	-
2 BR-2B with Den	F6	Monterey	334,184	-	-
2 BR-2B with Den	F8	Worthington	334,184	-	-
2 BR-2B	G6	Jackson	291,748	8	2,333,980
2 BR-2B Large	H1	Lancaster	390,411	3	1,171,234
2 BR-2B Large	J3	Washington	398,898	-	-
Projected Deposits without Amenities				**119**	**27,013,697**
Total Amenities					**93,240**
Total Projected Deposits					**27,106,937**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Sep-05

Residential Building 2.1

		Unit Name	Deposit Per Unit	Number of Units	Amount of Deposits
Efficiency	A1	Addison	78,507	-	-
Efficiency	A3	Albright	96,542	-	-
Studio	B2	Abbott	119,882	-	-
Studio	B?	?	119,882	-	-
Studio	B4	Avalon	119,882	1	119,882
1 BR	C1	Brighton	165,500	22	3,641,009
1 BR	C5	Bradford	151,709	-	-
Large 1 BR	C2	Ellicott	190,962	-	-
Large 1 BR	C8	Dawson	189,901	2	379,802
Large 1 BR	C3	Dover	188,840	5	944,201
Large 1 BR	C4	Fremont	198,388	10	1,983,883
Large 1 BR	C7	Fenwick	181,414	2	362,828
Large 1 BR	C11	Easton	176,109	6	1,056,656
Large 1 BR	C12	?	203,693	-	-
Large 1 BR-1-1/2B	G10	Hamilton	223,850	-	-
1 BR & Den	D1	Georgetown	220,667	4	882,669
1 BR & Den	D2	Gilbert	220,667	4	882,669
1 BR & Den	D5	Glendale	220,667	-	-
1 BR & Den	D6	Gibson	220,667	11	2,427,339
2 BR-1B	E1	Flagstaff	207,936	5	1,039,682
2 BR-1B	E1m	Fallston	207,936	11	2,287,300
2 BR-1B	E2	Fairmont	219,606	9	1,976,457
2 BR-1B	E3	Franklin	231,276	5	1,156,381
2 BR-1B	G4	Harrison	231,276	1	231,276
2 BR-(1-1/2)B	E4	Hastings	256,738	12	3,080,854
1 BR-(1-1/2)B	H2	Heritage	220,667	-	-
2 BR-2B	F3	Kingston	291,748	6	1,750,485
2 BR-2B Large	F4	Manchester	334,184	-	-
2 BR-2B with Den	F6	Monterey	334,184	-	-
2 BR-2B with Den	F8	Worthington	334,184	-	-
2 BR-2B	G6	Jackson	291,748	18	5,251,455
2 BR-2B Large	H1	Lancaster	390,411	6	2,342,467
2 BR-2B Large	J3	Washington	398,898	-	-
Projected Deposits without Amenities				**140**	**31,797,295**
Total Amenities					**116,760**
Total Projected Deposits					**31,914,055**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Apr-06

Residential Building 2.2		Unit Name	Deposit Per Unit	Number of Units	Amount of Deposits
Efficiency	A1	Addison	80,862	-	-
Efficiency	A3	Albright	99,438	1	99,438
Studio	B2	Abbott	123,478	5	617,391
Studio	B?	?	123,478	-	-
Studio	B4	Avalon	123,478	-	-
1 BR	C1	Brighton	170,465	15	2,556,981
1 BR	C5	Bradford	156,260	-	-
Large 1 BR	C2	Ellicott	196,691	-	-
Large 1 BR	C8	Dawson	195,598	1	195,598
Large 1 BR	C3	Dover	194,505	5	972,527
Large 1 BR	C4	Fremont	204,340	-	-
Large 1 BR	C7	Fenwick	186,856	1	186,856
Large 1 BR	C11	Easton	181,393	-	-
Large 1 BR	C12	?	209,804	-	-
Large 1 BR-1-1/2B	G10	Hamilton	230,565	-	-
1 BR & Den	D1	Georgetown	227,287	-	-
1 BR & Den	D2	Gilbert	227,287	-	-
1 BR & Den	D5	Glendale	227,287	5	1,136,436
1 BR & Den	D6	Gibson	227,287	5	1,136,436
2 BR-1B	E1	Flagstaff	214,174	-	-
2 BR-1B	E1m	Fallston	214,174	5	1,070,872
2 BR-1B	E2	Fairmont	226,194	4	904,778
2 BR-1B	E3	Franklin	238,214	-	-
2 BR-1B	G4	Harrison	238,214	9	2,143,930
2 BR-(1-1/2)B	E4	Hastings	264,440	10	2,644,399
1 BR-(1-1/2)B	H2	Heritage	227,287	-	-
2 BR-2B	F3	Kingston	300,500	5	1,502,500
2 BR-2B Large	F4	Manchester	344,209	10	3,442,090
2 BR-2B with Den	F6	Monterey	344,209	-	-
2 BR-2B with Den	F8	Worthington	344,209	4	1,376,836
2 BR-2B	G6	Jackson	300,500	10	3,004,999
2 BR-2B Large	H1	Lancaster	402,124	5	2,010,618
2 BR-2B Large	J3	Washington	410,865	-	-
Projected Deposits without Amenities				**100**	**25,002,686**
Total Amenities					**76,440**
Total Projected Deposits					**25,079,126**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Sep-06

Residential Building 2.3		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	80,862	-	-
Efficiency	A3	Albright	99,438	-	-
Studio	B2	Abbott	123,478	-	-
Studio	B?	?	123,478	1	123,478
Studio	B4	Avalon	123,478	-	-
1 BR	C1	Brighton	170,465	12	2,045,585
1 BR	C5	Bradford	156,260	6	937,560
Large 1 BR	C2	Ellicott	196,691	1	196,691
Large 1 BR	C8	Dawson	195,598	1	195,598
Large 1 BR	C3	Dover	194,505	-	-
Large 1 BR	C4	Fremont	204,340	5	1,021,700
Large 1 BR	C7	Fenwick	186,856	-	-
Large 1 BR	C11	Easton	181,393	1	181,393
Large 1 BR	C12	?	209,804	5	1,049,018
Large 1 BR-1-1/2B	G10	Hamilton	230,565	4	922,262
1 BR & Den	D1	Georgetown	227,287	5	1,136,436
1 BR & Den	D2	Gilbert	227,287	-	-
1 BR & Den	D5	Glendale	227,287	-	-
1 BR & Den	D6	Gibson	227,287	5	1,136,436
2 BR-1B	E1	Flagstaff	214,174	5	1,070,872
2 BR-1B	E1m	Fallston	214,174	5	1,070,872
2 BR-1B	E2	Fairmont	226,194	5	1,130,972
2 BR-1B	E3	Franklin	238,214	4	952,858
2 BR-1B	G4	Harrison	238,214	7	1,667,501
2 BR-(1-1/2)B	E4	Hastings	264,440	16	4,231,039
1 BR-(1-1/2)B	H2	Heritage	227,287	1	227,287
2 BR-2B	F3	Kingston	300,500	-	-
2 BR-2B Large	F4	Manchester	344,209	12	4,130,508
2 BR-2B with Den	F6	Monterey	344,209	-	-
2 BR-2B with Den	F8	Worthington	344,209	5	1,721,045
2 BR-2B	G6	Jackson	300,500	-	-
2 BR-2B Large	H1	Lancaster	402,124	4	1,608,494
2 BR-2B Large	J3	Washington	410,865	6	2,465,192
Projected Deposits without Amenities				**116**	**29,222,798**
Total Amenities					**90,720**
Total Projected Deposits					**29,313,518**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Apr-07

Residential Building 2.4		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	83,288	-	-
Efficiency	A3	Albright	102,421	-	-
Studio	B2	Abbott	127,182	-	-
Studio	B?	?	127,182	-	-
Studio	B4	Avalon	127,182	4	508,730
1 BR	C1	Brighton	175,579	19	3,336,008
1 BR	C5	Bradford	160,948	6	965,687
Large 1 BR	C2	Ellicott	202,592	-	-
Large 1 BR	C8	Dawson	201,466	2	402,932
Large 1 BR	C3	Dover	200,341	-	-
Large 1 BR	C4	Fremont	210,470	5	1,052,351
Large 1 BR	C7	Fenwick	192,462	-	-
Large 1 BR	C11	Easton	186,834	-	-
Large 1 BR	C12	?	216,098	-	-
Large 1 BR-1-1/2B	G10	Hamilton	237,482	-	-
1 BR & Den	D1	Georgetown	234,106	4	936,423
1 BR & Den	D2	Gilbert	234,106	4	936,423
1 BR & Den	D5	Glendale	234,106	-	-
1 BR & Den	D6	Gibson	234,106	5	1,170,529
2 BR-1B	E1	Flagstaff	220,600	-	-
2 BR-1B	E1m	Fallston	220,600	5	1,102,999
2 BR-1B	E2	Fairmont	232,980	10	2,329,803
2 BR-1B	E3	Franklin	245,361	5	1,226,805
2 BR-1B	G4	Harrison	245,361	3	736,083
2 BR-(1-1/2)B	E4	Hastings	272,373	5	1,361,866
1 BR-(1-1/2)B	H2	Heritage	234,106	-	-
2 BR-2B	F3	Kingston	309,515	6	1,857,090
2 BR-2B Large	F4	Manchester	354,535	-	-
2 BR-2B with Den	F6	Monterey	354,535	-	-
2 BR-2B with Den	F8	Worthington	354,535	-	-
2 BR-2B	G6	Jackson	309,515	8	2,476,119
2 BR-2B Large	H1	Lancaster	414,187	5	2,070,936
2 BR-2B Large	J3	Washington	423,191	6	2,539,148
Projected Deposits without Amenities				**102**	**25,009,931**
Total Amenities					**83,160**
Total Projected Deposits					**25,093,091**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Jul-07

Residential Building 2.5		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	83,288	-	-
Efficiency	A3	Albright	102,421	-	-
Studio	B2	Abbott	127,182	-	-
Studio	B?	?	127,182	-	-
Studio	B4	Avalon	127,182	1	127,182
1 BR	C1	Brighton	175,579	18	3,160,429
1 BR	C5	Bradford	160,948	-	-
Large 1 BR	C2	Ellicott	202,592	-	-
Large 1 BR	C8	Dawson	201,466	1	201,466
Large 1 BR	C3	Dover	200,341	4	801,362
Large 1 BR	C4	Fremont	210,470	5	1,052,351
Large 1 BR	C7	Fenwick	192,462	-	-
Large 1 BR	C11	Easton	186,834	-	-
Large 1 BR	C12	?	216,098	-	-
Large 1 BR-1-1/2B	G10	Hamilton	237,482	-	-
1 BR & Den	D1	Georgetown	234,106	4	936,423
1 BR & Den	D2	Gilbert	234,106	3	702,317
1 BR & Den	D5	Glendale	234,106	-	-
1 BR & Den	D6	Gibson	234,106	5	1,170,529
2 BR-1B	E1	Flagstaff	220,600	5	1,102,999
2 BR-1B	E1m	Fallston	220,600	5	1,102,999
2 BR-1B	E2	Fairmont	232,980	3	698,941
2 BR-1B	E3	Franklin	245,361	-	-
2 BR-1B	G4	Harrison	245,361	9	2,208,248
2 BR-(1-1/2)B	E4	Hastings	272,373	4	1,089,493
1 BR-(1-1/2)B	H2	Heritage	234,106	-	-
2 BR-2B	F3	Kingston	309,515	10	3,095,149
2 BR-2B Large	F4	Manchester	354,535	-	-
2 BR-2B with Den	F6	Monterey	354,535	-	-
2 BR-2B with Den	F8	Worthington	354,535	-	-
2 BR-2B	G6	Jackson	309,515	9	2,785,634
2 BR-2B Large	H1	Lancaster	414,187	5	2,070,936
2 BR-2B Large	J3	Washington	423,191	-	-
Projected Deposits without Amenities				**91**	**22,306,459**
Total Amenities					**68,880**
Total Projected Deposits					**22,375,339**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Oct-07

Residential Building 3.1		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	83,288	-	-
Efficiency	A3	Albright	102,421	-	-
Studio	B2	Abbott	127,182	-	-
Studio	B?	?	127,182	-	-
Studio	B4	Avalon	127,182	-	-
1 BR	C1	Brighton	175,579	17	2,984,849
1 BR	C5	Bradford	160,948	4	643,791
Large 1 BR	C2	Ellicott	202,592	-	-
Large 1 BR	C8	Dawson	201,466	2	402,932
Large 1 BR	C3	Dover	200,341	-	-
Large 1 BR	C4	Fremont	210,470	11	2,315,172
Large 1 BR	C7	Fenwick	192,462	2	384,924
Large 1 BR	C11	Easton	186,834	-	-
Large 1 BR	C12	?	216,098	-	-
Large 1 BR-1-1/2B	G10	Hamilton	237,482	-	-
1 BR & Den	D1	Georgetown	234,106	5	1,170,529
1 BR & Den	D2	Gilbert	234,106	5	1,170,529
1 BR & Den	D5	Glendale	234,106	-	-
1 BR & Den	D6	Gibson	234,106	5	1,170,529
2 BR-1B	E1	Flagstaff	220,600	11	2,426,597
2 BR-1B	E1m	Fallston	220,600	5	1,102,999
2 BR-1B	E2	Fairmont	232,980	8	1,863,843
2 BR-1B	E3	Franklin	245,361	-	-
2 BR-1B	G4	Harrison	245,361	2	490,722
2 BR-(1-1/2)B	E4	Hastings	272,373	-	-
1 BR-(1-1/2)B	H2	Heritage	234,106	-	-
2 BR-2B	F3	Kingston	309,515	6	1,857,090
2 BR-2B Large	F4	Manchester	354,535	12	4,254,423
2 BR-2B with Den	F6	Monterey	354,535	-	-
2 BR-2B with Den	F8	Worthington	354,535	-	-
2 BR-2B	G6	Jackson	309,515	9	2,785,634
2 BR-2B Large	H1	Lancaster	414,187	5	2,070,936
2 BR-2B Large	J3	Washington	423,191	5	2,115,957
Projected Deposits without Amenities				**114**	**29,211,456**
Total Amenities					**94,080**
Total Projected Deposits					**29,305,536**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Apr-08

Residential Building 3.2		**Unit Name**	**Deposit Per Unit**	**Number of Units**	**Amount of Deposits**
Efficiency	A1	Addison	85,786	-	-
Efficiency	A3	Albright	105,494	-	-
Studio	B2	Abbott	130,998	-	-
Studio	B?	?	130,998	-	-
Studio	B4	Avalon	130,998	-	-
1 BR	C1	Brighton	180,847	7	1,265,927
1 BR	C5	Bradford	165,776	4	663,105
Large 1 BR	C2	Ellicott	208,669	-	-
Large 1 BR	C8	Dawson	207,510	1	207,510
Large 1 BR	C3	Dover	206,351	5	1,031,754
Large 1 BR	C4	Fremont	216,784	5	1,083,921
Large 1 BR	C7	Fenwick	198,236	2	396,472
Large 1 BR	C11	Easton	192,439	-	-
Large 1 BR	C12	?	222,581	-	-
Large 1 BR-1-1/2B	G10	Hamilton	244,607	-	-
1 BR & Den	D1	Georgetown	241,129	4	964,516
1 BR & Den	D2	Gilbert	241,129	4	964,516
1 BR & Den	D5	Glendale	241,129	-	-
1 BR & Den	D6	Gibson	241,129	5	1,205,645
2 BR-1B	E1	Flagstaff	227,218	5	1,136,089
2 BR-1B	E1m	Fallston	227,218	5	1,136,089
2 BR-1B	E2	Fairmont	239,970	4	959,879
2 BR-1B	E3	Franklin	252,722	-	-
2 BR-1B	G4	Harrison	252,722	-	-
2 BR-(1-1/2)B	E4	Hastings	280,544	11	3,085,988
1 BR-(1-1/2)B	H2	Heritage	241,129	-	-
2 BR-2B	F3	Kingston	318,800	5	1,594,002
2 BR-2B Large	F4	Manchester	365,171	-	-
2 BR-2B with Den	F6	Monterey	365,171	3	1,095,514
2 BR-2B with Den	F8	Worthington	365,171	-	-
2 BR-2B	G6	Jackson	318,800	8	2,550,403
2 BR-2B Large	H1	Lancaster	426,613	4	1,706,451
2 BR-2B Large	J3	Washington	435,887	5	2,179,435
Projected Deposits without Amenities				**87**	**23,227,215**
Total Amenities					**73,080**
Total Projected Deposits					**23,300,295**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Aug-08

Residential Building 3.3

		Unit Name	Deposit Per Unit	Number of Units	Amount of Deposits
Efficiency	A1	Addison	85,786	-	-
Efficiency	A3	Albright	105,494	-	-
Studio	B2	Abbott	130,998	-	-
Studio	B?	?	130,998	-	-
Studio	B4	Avalon	130,998	-	-
1 BR	C1	Brighton	180,847	18	3,255,242
1 BR	C5	Bradford	165,776	-	-
Large 1 BR	C2	Ellicott	208,669	1	208,669
Large 1 BR	C8	Dawson	207,510	2	415,020
Large 1 BR	C3	Dover	206,351	5	1,031,754
Large 1 BR	C4	Fremont	216,784	5	1,083,921
Large 1 BR	C7	Fenwick	198,236	-	-
Large 1 BR	C11	Easton	192,439	1	192,439
Large 1 BR	C12	?	222,581	-	-
Large 1 BR-1-1/2B	G10	Hamilton	244,607	4	978,427
1 BR & Den	D1	Georgetown	241,129	3	723,387
1 BR & Den	D2	Gilbert	241,129	3	723,387
1 BR & Den	D5	Glendale	241,129	-	-
1 BR & Den	D6	Gibson	241,129	5	1,205,645
2 BR-1B	E1	Flagstaff	227,218	5	1,136,089
2 BR-1B	E1m	Fallston	227,218	5	1,136,089
2 BR-1B	E2	Fairmont	239,970	8	1,919,758
2 BR-1B	E3	Franklin	252,722	4	1,010,887
2 BR-1B	G4	Harrison	252,722	6	1,516,330
2 BR-(1-1/2)B	E4	Hastings	280,544	9	2,524,899
1 BR-(1-1/2)B	H2	Heritage	241,129	-	-
2 BR-2B	F3	Kingston	318,800	10	3,188,004
2 BR-2B Large	F4	Manchester	365,171	-	-
2 BR-2B with Den	F6	Monterey	365,171	-	-
2 BR-2B with Den	F8	Worthington	365,171	-	-
2 BR-2B	G6	Jackson	318,800	10	3,188,004
2 BR-2B Large	H1	Lancaster	426,613	5	2,133,064
2 BR-2B Large	J3	Washington	435,887	-	-
Projected Deposits without Amenities				**109**	**27,571,015**
Total Amenities					**85,680**
Total Projected Deposits					**27,656,695**

NOVI CAMPUS, LLC
Development Plan
Schedule of Entrance Deposits

Units Available Feb-09

Residential Building 3.4

		Unit Name	Deposit Per Unit	Number of Units	Amount of Deposits
Efficiency	A1	Addison	88,360	1	88,360
Efficiency	A3	Albright	108,659	-	-
Studio	B2	Abbott	134,928	-	-
Studio	B?	?	134,928	-	-
Studio	B4	Avalon	134,928	1	134,928
1 BR	C1	Brighton	186,272	15	2,794,082
1 BR	C5	Bradford	170,749	-	-
Large 1 BR	C2	Ellicott	214,929	-	-
Large 1 BR	C8	Dawson	213,735	2	427,471
Large 1 BR	C3	Dover	212,541	5	1,062,707
Large 1 BR	C4	Fremont	223,288	5	1,116,439
Large 1 BR	C7	Fenwick	204,183	-	-
Large 1 BR	C11	Easton	198,213	-	-
Large 1 BR	C12	?	229,258	-	-
Large 1 BR-1-1/2B	G10	Hamilton	251,945	5	1,259,725
1 BR & Den	D1	Georgetown	248,363	3	745,089
1 BR & Den	D2	Gilbert	248,363	-	-
1 BR & Den	D5	Glendale	248,363	-	-
1 BR & Den	D6	Gibson	248,363	5	1,241,814
2 BR-1B	E1	Flagstaff	234,034	5	1,170,171
2 BR-1B	E1m	Fallston	234,034	5	1,170,171
2 BR-1B	E2	Fairmont	247,169	8	1,977,351
2 BR-1B	E3	Franklin	260,303	5	1,301,517
2 BR-1B	G4	Harrison	260,303	5	1,301,517
2 BR-(1-1/2)B	E4	Hastings	288,961	6	1,733,764
1 BR-(1-1/2)B	H2	Heritage	248,363	-	-
2 BR-2B	F3	Kingston	328,364	-	-
2 BR-2B Large	F4	Manchester	376,126	-	-
2 BR-2B with Den	F6	Monterey	376,126	-	-
2 BR-2B with Den	F8	Worthington	376,126	4	1,504,506
2 BR-2B	G6	Jackson	328,364	8	2,626,915
2 BR-2B Large	H1	Lancaster	439,411	5	2,197,056
2 BR-2B Large	J3	Washington	448,964	-	-
Projected Deposits without Amenities				**93**	**23,853,583**
Total Amenities					**73,080**
Total Projected Deposits					**23,926,663**

Novi Campus, LLC- Development Agreement
Development Plan - Phases I,II and III Projected Cash Flow

For the Period 2001 - 2010

	Phase I Proforma Project Totals	Phase II Proforma Project Totals	Phase III Proforma Project Totals	Phase I,II,III Proforma Project Totals
Net Rent	782,657	1,990,219	19,555,124	22,328,000
Entrance deposits	122,525,067	138,656,477	143,221,841	404,403,385
Total Funds	123,307,724	140,646,696	162,776,965	426,731,385
Hard Construction Costs	77,292,155	99,425,338	87,850,507	264,568,000
Architecture	4,376,492	420,606	2,253,902	7,051,000
Engineering	954,167	1,045,833	-	2,000,000
Fees, permits	2,659,518	2,724,168	2,208,314	7,592,000
Builders risk	76,151	97,956	86,893	261,000
Contingency (3% of hard costs)	2,456,719	3,063,427	2,615,854	8,136,000
Development fees (5% of entrance deposits)	5,448,580	6,919,903	7,851,517	20,220,000
Total direct costs	93,263,782	113,697,231	102,866,987	309,828,000
Direct Margin (excluding Financing & Indirect costs)	30,043,942	26,949,465	59,909,978	116,903,385
Indirect Costs				
Departmental costs	19,469,960	9,082,865	7,483,175	36,036,000
Land	12,400,000	-	-	12,400,000
Property taxes (land only)	540,691	154,483	(174)	695,000
FF&E/ Rental (Marketing Center)	250,000	-	-	250,000
Interest expense (Construction loan 9%)	8,925,123	7,923,760	4,158,117	21,007,000
Financing costs/Legal	1,994,000	456,000	92,000	2,542,000
Working Capital Loan to Community/Repayment	10,528,137	4,601,235	(15,129,372)	-
Interest on Working Capital	-	-	(10,199,000)	(10,199,000)
Total Indirect Costs	54,107,911	22,218,343	(13,595,254)	62,731,000
Total Costs	147,371,693	135,915,574	89,271,733	372,559,000
Project Margin Cash	(24,063,969)	4,731,122	73,505,232	54,172,385
Project Margin Cumulative Cash	(24,063,969)	(19,332,847)	54,172,385	54,172,385
SCL Equity Contribution:	17,000,000	17,000,000		
Cash Available	(7,063,969)	(2,332,847)	54,172,385	

Phase I
Master Plan through RB 1.5
Assumed RB 1.5 will be full deposited.

Phase 2
Sitework II through Maintenance Building
Assumed RB 2.5 will be full deposited.

Phase 3
Sitework III through Extended Care Phase II
Assumed RB 3.4 will be full deposited.

Bank Of America - CD#13 - Control ID#1133

Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04
			Absorp rate/mo	20	20	15	15	8	7	5	2
RB 1.1	103	220,571	Units	20	40	55	70	78	85	90	92
			Absorp rate/mo	0	0	0	0	20	14	8	5
RB 1.2	99	229,377	Units	0	0	0	0	20	34	42	47
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.4	114	226,559	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.5	119	227,789	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.4	102	246,011	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	20	20	15	15	28	21	13	7
Totals	**1,497**	240,808	Units occ.	**20**	**40**	**55**	**70**	**98**	**119**	**132**	**139**

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Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04
			Absorp rate/mo	2	2	2	2	2	1	0	0
RB 1.1	103	220,571	Units	94	96	98	100	102	103	103	103
			Absorp rate/mo	8	10	12	12	6	2	1	1
RB 1.2	99	229,377	Units	55	65	77	89	95	97	98	99
			Absorp rate/mo	0	20	20	15	15	10	10	10
RB 1.3	110	219,667	Units	0	20	40	55	70	80	90	100
			Absorp rate/mo	0	0	0	0	0	0	0	20
RB 1.4	114	226,559	Units	0	0	0	0	0	0	0	20
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.5	119	227,789	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.4	102	246,011	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	10	32	34	29	23	13	11	31
Totals	1,497	240,808	Units occ.	**149**	**181**	**215**	**244**	**267**	**280**	**291**	**322**

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Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	6	2	1	1	0	0	0	0
RB 1.3	110	219,667	Units	106	108	109	110	110	110	110	110
			Absorp rate/mo	20	15	8	5	8	10	10	7
RB 1.4	114	226,559	Units	40	55	63	68	76	86	96	103
			Absorp rate/mo	0	0	0	0	0	20	20	15
RB 1.5	119	227,789	Units	0	0	0	0	0	20	40	55
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.4	102	246,011	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	26	17	9	6	8	30	30	22
Totals	**1,497**	240,808	Units occ.	**348**	**365**	**374**	**380**	**388**	**418**	**448**	**470**

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Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	110	110	110	110	110	110	110	110
			Absorp rate/mo	4	2	2	2	1	0	0	0
RB 1.4	114	226,559	Units	107	109	111	113	114	114	114	114
			Absorp rate/mo	15	10	8	8	8	5	3	3
RB 1.5	119	227,789	Units	70	80	88	96	104	109	112	115
			Absorp rate/mo	0	0	0	20	20	15	8	5
RB 2.1	140	227,958	Units	0	0	0	20	40	55	63	68
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.4	102	246,011	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	19	12	10	30	29	20	11	8
Totals	1,497	240,808	Units occ.	**489**	**501**	**511**	**541**	**570**	**590**	**601**	**609**

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Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06
RB 1.1	103	220,571	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	103	103	103	103	103	103	103	103
RB 1.2	99	229,377	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	99	99	99	99	99	99	99	99
RB 1.3	110	219,667	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	110	110	110	110	110	110	110	110
RB 1.4	114	226,559	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	114	114	114	114	114	114	114	114
RB 1.5	119	227,789	Absorp rate/mo	2	2	0	0	0	0	0	0
			Units	117	119	119	119	119	119	119	119
RB 2.1	140	227,958	Absorp rate/mo	5	15	15	10	10	5	5	2
			Units	73	88	103	113	123	128	133	135
RB 2.2	100	250,791	Absorp rate/mo	0	0	20	20	15	13	10	10
			Units	0	0	20	40	55	68	78	88
RB 2.3	116	252,703	Absorp rate/mo	0	0	0	0	0	0	0	20
			Units	0	0	0	0	0	0	0	20
RB 2.4	102	246,011	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Absorp rate/mo	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0
Totals	**1,497**	240,808	Absorp rate/mo	7	17	35	30	25	18	15	32
			Units occ.	**616**	**633**	**668**	**698**	**723**	**741**	**756**	**788**

Bank Of America - CD#13 - Control ID#1133

Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	110	110	110	110	110	110	110	110
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.4	114	226,559	Units	114	114	114	114	114	114	114	114
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.5	119	227,789	Units	119	119	119	119	119	119	119	119
			Absorp rate/mo	2	2	1	0	0	0	0	0
RB 2.1	140	227,958	Units	137	139	140	140	140	140	140	140
			Absorp rate/mo	5	2	2	2	1	0	0	0
RB 2.2	100	250,791	Units	93	95	97	99	100	100	100	100
			Absorp rate/mo	20	12	5	5	5	10	10	8
RB 2.3	116	252,703	Units	40	52	57	62	67	77	87	95
			Absorp rate/mo	0	0	0	0	0	0	20	20
RB 2.4	102	246,011	Units	0	0	0	0	0	0	20	40
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.1	114	257,066	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	27	16	8	7	6	10	30	28
Totals	1,497	240,808	Units occ.	815	831	839	846	852	862	892	920

Bank Of America - CD#13 - Control ID#1133

Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	110	110	110	110	110	110	110	110
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.4	114	226,559	Units	114	114	114	114	114	114	114	114
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.5	119	227,789	Units	119	119	119	119	119	119	119	119
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Units	140	140	140	140	140	140	140	140
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	100	100	100	100	100	100	100	100
			Absorp rate/mo	8	5	2	2	2	1	1	0
RB 2.3	116	252,703	Units	103	108	110	112	114	115	116	116
			Absorp rate/mo	15	15	8	5	4	4	4	4
RB 2.4	102	246,011	Units	55	70	78	83	87	91	95	99
			Absorp rate/mo	0	20	20	15	8	5	5	5
RB 2.5	91	245,883	Units	0	20	40	55	63	68	73	78
			Absorp rate/mo	0	0	0	0	15	15	8	5
RB 3.1	114	257,066	Units	0	0	0	0	15	30	38	43
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.2	87	267,819	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.3	109	253,731	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	23	40	30	22	29	25	18	14
Totals	1,497	240,808	Units occ.	**943**	**983**	**1,013**	**1,035**	**1,064**	**1,089**	**1,107**	**1,121**

Bank Of America - CD#13 - Control ID#1133

Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	110	110	110	110	110	110	110	110
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.4	114	226,559	Units	114	114	114	114	114	114	114	114
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.5	119	227,789	Units	119	119	119	119	119	119	119	119
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Units	140	140	140	140	140	140	140	140
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	100	100	100	100	100	100	100	100
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Units	116	116	116	116	116	116	116	116
			Absorp rate/mo	2	1	0	0	0	0	0	0
RB 2.4	102	246,011	Units	101	102	102	102	102	102	102	102
			Absorp rate/mo	5	4	2	1	1	0	0	0
RB 2.5	91	245,883	Units	83	87	89	90	91	91	91	91
			Absorp rate/mo	8	10	10	10	10	8	5	5
RB 3.1	114	257,066	Units	51	61	71	81	91	99	104	109
			Absorp rate/mo	0	0	20	15	12	10	8	5
RB 3.2	87	267,819	Units	0	0	20	35	47	57	65	70
			Absorp rate/mo	0	0	0	0	0	0	10	20
RB 3.3	109	253,731	Units	0	0	0	0	0	0	10	30
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 3.4	93	257,276	Units	0	0	0	0	0	0	0	0
			Absorp rate/mo	15	15	32	26	23	18	23	30
Totals	**1,497**	240,808	Units occ.	**1,136**	**1,151**	**1,183**	**1,209**	**1,232**	**1,250**	**1,273**	**1,303**

Bank Of America - CD#13 - Control ID#1133

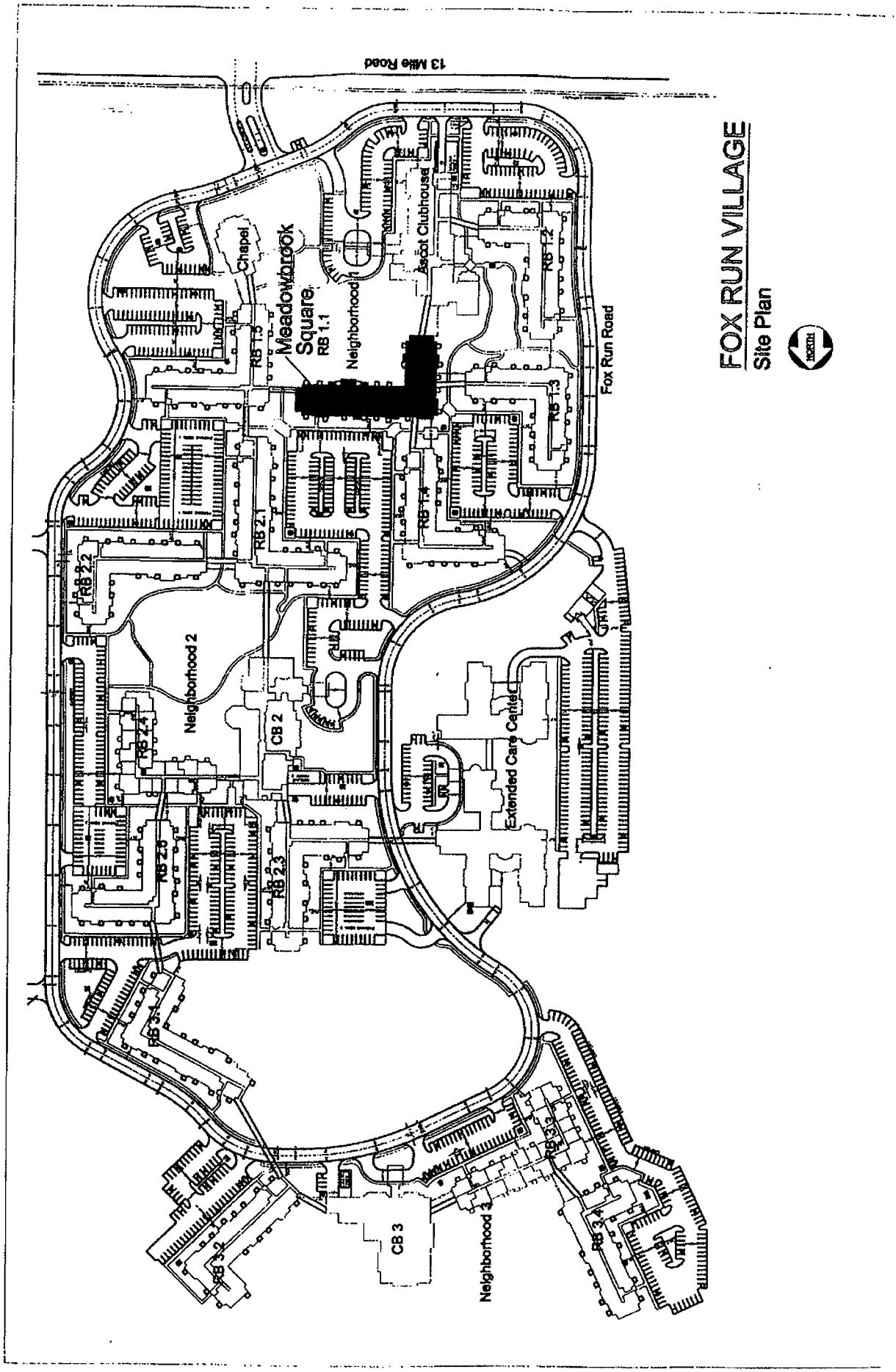
Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.1	103	220,571	Units	103	103	103	103	103	103	103	103
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.2	99	229,377	Units	99	99	99	99	99	99	99	99
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.3	110	219,667	Units	110	110	110	110	110	110	110	110
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.4	114	226,559	Units	114	114	114	114	114	114	114	114
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 1.5	119	227,789	Units	119	119	119	119	119	119	119	119
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.1	140	227,958	Units	140	140	140	140	140	140	140	140
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.2	100	250,791	Units	100	100	100	100	100	100	100	100
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.3	116	252,703	Units	116	116	116	116	116	116	116	116
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.4	102	246,011	Units	102	102	102	102	102	102	102	102
			Absorp rate/mo	0	0	0	0	0	0	0	0
RB 2.5	91	245,883	Units	91	91	91	91	91	91	91	91
			Absorp rate/mo	2	2	1	0	0	0	0	0
RB 3.1	114	257,066	Units	111	113	114	114	114	114	114	114
			Absorp rate/mo	4	4	3	2	2	1	1	0
RB 3.2	87	267,819	Units	74	78	81	83	85	86	87	87
			Absorp rate/mo	20	15	8	8	5	5	5	5
RB 3.3	109	253,731	Units	50	65	73	81	86	91	96	101
			Absorp rate/mo	0	0	0	0	20	15	15	15
RB 3.4	93	257,276	Units	0	0	0	0	20	35	50	65
			Absorp rate/mo	26	21	12	10	27	21	21	20
Totals	**1,497**	240,808	Units occ.	**1,329**	**1,350**	**1,362**	**1,372**	**1,399**	**1,420**	**1,441**	**1,461**

Novi Campus, LLC
Development Plan
Marketing Proforma

Bldg	No. of Units	Avg Dep/unit		Jun-09	Jul-09	Aug-09
			Absorp rate/mo	0	0	0
RB 1.1	103	220,571	Units	103	103	103
			Absorp rate/mo	0	0	0
RB 1.2	99	229,377	Units	99	99	99
			Absorp rate/mo	0	0	0
RB 1.3	110	219,667	Units	110	110	110
			Absorp rate/mo	0	0	0
RB 1.4	114	226,559	Units	114	114	114
			Absorp rate/mo	0	0	0
RB 1.5	119	227,789	Units	119	119	119
			Absorp rate/mo	0	0	0
RB 2.1	140	227,958	Units	140	140	140
			Absorp rate/mo	0	0	0
RB 2.2	100	250,791	Units	100	100	100
			Absorp rate/mo	0	0	0
RB 2.3	116	252,703	Units	116	116	116
			Absorp rate/mo	0	0	0
RB 2.4	102	246,011	Units	102	102	102
			Absorp rate/mo	0	0	0
RB 2.5	91	245,883	Units	91	91	91
			Absorp rate/mo	0	0	0
RB 3.1	114	257,066	Units	114	114	114
			Absorp rate/mo	0	0	0
RB 3.2	87	267,819	Units	87	87	87
			Absorp rate/mo	5	2	1
RB 3.3	109	253,731	Units	106	108	109
			Absorp rate/mo	15	8	5
RB 3.4	93	257,276	Units	80	88	93
			Absorp rate/mo	20	10	6
Totals	1,497	240,808	Units occ.	1,481	1,491	1,497

Bank Of America - CD#13 - Control ID#1133


13 Mile Road
Chapel
Meadowbrook Square
RB 1.1
Neighborhood 1
Ascot Clubhouse
RB 1.2
RB 1.3
RB 1.4
RB 1.5
Fox Run Road
RB 2.1
RB 2.2
RB 2.3
RB 2.4
RB 2.5
Neighborhood 2
CB 2
Extended Care Center
RB 3.1
RB 3.2
RB 3.3
RB 3.4
CB 3
Neighborhood 3
FOX RUN VILLAGE
Site Plan

Bank Of America - CD#13 - Control ID#1133

NOVI CAMPUS, LLC
Development Plan
Departmental Cost Summary
Exhibit C - Unallocated Annual Expenses

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Finance			80,000	84,000	88,200	92,610	97,241	102,103	107,208	75,045	**726,406**
Design & development	75,000	300,000	1,000,000	1,300,000	1,365,000	1,433,250	1,504,913	1,580,158	1,659,166	1,161,416	**11,378,903**
Legal	53,187	50,000	57,750	57,750	60,638	63,669	66,853	70,195	73,705	51,594	**605,341**
Sales & Information	0	300,000	755,000	793,000	809,855	701,745	541,022	347,140	108,708		**4,356,472**
Marketing	200,000	900,000	1,580,000	1,659,000	1,742,000	1,829,000	1,920,000	2,016,000	2,117,000	1,363,757	**15,326,757**
Information Technology	100,866	86,000	90,300	90,300	94,815	99,556	104,534	109,760	115,248	80,674	**972,052**
Administration	399,937		250,000	262,500	275,625	289,406	303,877	319,070	335,024	234,517	**2,669,956**
Total	**828,990**	**1,636,000**	**3,813,050**	**4,246,550**	**4,436,133**	**4,509,237**	**4,538,438**	**4,544,427**	**4,516,059**	**2,967,003**	**36,035,887**

Bank Of America - CD#13 - Control ID#1133

Novi Campus, LLC
Development Agreement
EXHIBIT E
FORM OF PHASE FORECASTS AND UNALLOCATED ANNUAL EXPENSE SUMMARY

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total 2002
Hard Construction Costs	64,278	65,233	65,233	389,742	389,742	389,742	559,507	976,936	1,594,588	2,157,533	2,798,959	3,764,197	13,215,692
Construction Fees				5,846	5,846	5,846	8,393	14,654	23,919	32,363	41,984	56,463	195,314
Architecture	34,464	66,585	80,188	59,919	57,837	59,581	59,581	51,381	58,214	60,395	31,647	42,270	662,062
Engineering	19,214	9,142	9,142	9,142	9,142	8,792	6,642	6,642	6,642	6,642	-	-	91,146
Fees, permits	-	-	-	-	509,380	-	-	-	428,060	-	-	2,500	939,940
Builders risk	-	-	8,011	-	-	19,770	-	-	-	9,718	-	-	37,499
Contingency (3% of hard costs)	-	-	-	-	-	-	-	20,000	-	-	-	-	20,000
Total direct costs	117,956	140,960	162,575	464,649	971,948	483,732	634,123	1,069,614	2,111,424	2,266,652	2,872,590	3,865,429	15,161,653
Indirect Costs													
Departmental costs	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	4,023,300
Land	100,000	9,722,612	-	-	-	-	-	-	-	-	-	-	9,822,612
Property taxes (land only)	-	-	-	-	-	-	-	-	-	-	-	154,483	154,483
FF&E/ Rental (Marketing Center)	-	-	98,107	-	-	-	-	-	-	-	-	-	98,107
Interest expense (Construction loan 9%)	20,000	20,000	5,141	9,947	15,316	21,999	26,274	31,322	38,573	51,070	64,405	81,336	385,383
Financing costs/Legal	10,000	10,000	355,000	260,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	715,000
Working Capital Loan to Community/Repaymer	-	-	-	-	-	-	-	-	-	-	100,000	36,950	136,950
Total Indirect Costs	465,275	10,087,887	793,523	605,222	360,591	367,274	371,549	376,597	383,848	396,345	509,680	618,044	15,335,835
Total Costs	583,231	10,228,847	956,098	1,069,871	1,332,539	851,006	1,005,672	1,446,211	2,495,273	2,662,996	3,382,270	4,483,473	30,497,488

Sitework III through Extended Care Phase II
Assumed RB 3 4 will be full deposited

FOX RUN VILLAGE
MARKETING REPORT
EXHIBIT F
As of December 31, 2001

Available Apartments(AA)	0
Reserved	0
Standby	66
Total	66
Futures	17
Total Available to Move(ATM)	83
Total Settled Apartments	0
Total Depositors	83

Bank Of America - CD#13 - Control ID#1133

FOX RUN VILLAGE
DEVELOPMENT AGREEMENT

EXHIBIT D
NARRATIVE DESCRIPTION OF PROJECT

The Project is a life-care community, known as the FOX RUN VILLAGE Retirement Community, which shall provide three levels of care -- independent living, domiciliary care, and comprehensive care -- plus ancillary services to qualified Residents. The independent living area of the Project will include three (3) discrete neighborhoods, consisting of a mix of independent living residential buildings and a community center for each neighborhood. Each community building will have a dining center, craft rooms, classrooms, a mix of Subtenants such as beauty salons, stores, and banks, and common areas for Residents to meet and enjoy special functions. The Medical Center with staff physicians for the Residents will be located in the Medical Center. The Project will also contain a chapel for worship services, and a pool for the use of the Residents. The Project will contain three (3) neighborhoods of four (4) residential buildings each. Each Community Building will contain retail, office, recreational and dining facilities. According to the current Development Plan, there will be approximately 1,500 independent living residential units.

The Project will also include a Care Center containing approximately 318 Assisted Living Skilled Nursing Care Units.

Bank Of America - CD#13 - Control ID#1133

FOX RUN VILLAGE
DEVELOPMENT AGREEMENT

EXHIBIT E
FORM OF PHASE FORECASTS AND UNALLOCATED ANNUAL EXPENSE SUMMARY

Bank Of America - CD#13 - Control ID#1133

Novi Campus, LLC
Development Agreement
EXHIBIT E
FORM OF PHASE FORECASTS AND UNALLOCATED ANNUAL EXPENSE SUMMARY

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total 2002
Hard Construction Costs	64,278	65,233	65,233	389,742	389,742	389,742	559,507	976,936	1,594,588	2,157,533	2,798,959	3,764,197	13,215,692
Construction Fees				5,846	5,846	5,846	8,393	14,654	23,919	32,363	41,984	56,463	195,314
Architecture	34,464	66,585	80,188	59,919	57,837	59,581	59,581	51,381	58,214	60,395	31,647	42,270	662,062
Engineering	19,214	9,142	9,142	9,142	9,142	8,792	6,642	6,642	6,642	6,642	-	-	91,146
Fees, permits	-	-	-	-	509,380	-	-	-	428,060	-	-	2,500	939,940
Builders risk	-	-	8,011	-	-	19,770	-	-	-	9,718	-	-	37,499
Contingency (3% of hard costs)	-	-	-	-	-	-	-	20,000	-	-	-	-	20,000
Total direct costs	117,956	140,960	162,575	464,649	971,948	483,732	634,123	1,069,614	2,111,424	2,266,652	2,872,590	3,865,429	15,161,653
Indirect Costs													
Departmental costs	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	335,275	4,023,300
Land	100,000	9,722,612	-	-	-	-	-	-	-	-	-	-	9,822,612
Property taxes (land only)	-	-	-	-	-	-	-	-	-	-	-	154,483	154,483
FF&E/ Rental (Marketing Center)	-	-	98,107	-	-	-	-	-	-	-	-	-	98,107
Interest expense (Construction loan 9%)	20,000	20,000	5,141	9,947	15,316	21,999	26,274	31,322	38,573	51,070	64,405	81,336	385,383
Financing costs/Legal	10,000	10,000	355,000	260,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	715,000
Working Capital Loan to Community/Repaymer	-	-	-	-	-	-	-	-	-	-	100,000	36,950	136,950
Total Indirect Costs	465,275	10,087,887	793,523	605,222	360,591	367,274	371,549	376,597	383,848	396,345	509,680	618,044	15,335,835
Total Costs	583,231	10,228,847	956,098	1,069,871	1,332,539	851,006	1,005,672	1,446,211	2,495,273	2,662,996	3,382,270	4,483,473	30,497,488

Sitework III through Extended Care Phase II
Assumed RB 3 4 will be full deposited

Bank Of America - CD#13 - Control ID#1133

FOX RUN VILLAGE
DEVELOPMENT AGREEMENT

EXHIBIT F
MARKETING REPORT FORM

The following is the Marketing Report Form to be submitted with the Monthly Report.

Bank Of America - CD#13 - Control ID#1133

FOX RUN VILLAGE
MARKETING REPORT
EXHIBIT F
As of December 31, 2001

Available Apartments(AA)	0
Reserved	0
Standby	66
Total	66
Futures	17
Total Available to Move(ATM)	83
Total Settled Apartments	0
Total Depositors	83

Bank Of America - CD#13 - Control ID#1133

FOX RUN VILLAGE
DEVELOPMENT AGREEMENT

EXHIBIT G
PROJECT STAFF

The Project will be staffed by the Project Manager, David Destino who shall be responsible for overseeing the design and construction aspects of the Project. The marketing and occupancy efforts and Resident relations for the Project will be overseen by the Marketing Director, Fred Moschetta. Resumes for Mr. Destino and Fred Moschetta are attached hereto. Additional staff shall be assigned by the Project to Developer on an as-needed basis.

Bank Of America - CD#13 - Control ID#1133

FOX RUN VILLAGE
DEVELOPMENT AGREEMENT

EXHIBIT H
MONTHLY REPORT FORM

NOVI CAMPUS, LLC
Development Agreement
Exhibit H – Monthly Report

	Original Forecasted Budget (A)	Approved Phase Budget (B)	Approved Forecast Revisions (C)	Pending Forecast Revisions (D)	Total Projected Phase Budget (E)-B+C=D	Previous Costs To Date (F)	Current Costs (G)	Job Costs to Date (H)-F+G	Remaining Commitment (I)-E-H	Total Projected Phase Budget (J)-(E)
Masterplan										
Marketing Trailer										
Sitework 1										
Gatehouse 1										
Community Bldg 1.0										
Building 1.1										
Building 1.2										
Building 1.3										
Parking Deck #1										
Building 1.4										
Building 1.5										
Bridge (1.0)										
Bridge (2.0)										
Sitework 2										
Parking Deck #2										
Building 2.1										
Bridge (3.0)										
Building 2.2										
Community Bldg 2.0										
Extended Care Phase 1										
Transitional Phases										
Building 2.3										
Building 2.4										
Building 2.5										
Parking Deck #4										
Chapel										
Maintenance Building										
Bridge (6.0)										
Bridge (7.0)										
Bridge (8.0)										
Bridge (4.0)										
Sitework 3										
Building 3.1										
Bridge 5.0										
Community Bldg 3.0										
Building 3.2										
Building 3.3										
Building 3.4										
Extended Care Phase 2										
Sitework 4										
Totals										

Bank Of America - CD#13 - Control ID#1133

FOX RUN VILLAGE
DEVELOPMENT AGREEMENT

EXHIBIT I
LETTER OF AGREEMENT

Novi Campus, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228

RE: Design Marketing Construction Concepts

Gentlemen:

This letter is intended to evidence the agreement of Erickson Retirement Communities, LLC that, for One Dollar ($1.00) in hand paid, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Novi Campus, LLC is irrevocably granted the right to use Erickson Retirement Communities, LLC's design, marketing, and construction concepts, the residence and care forms, and leasing forms owned by Erickson Retirement Communities, LLC, (the "Assigned Rights"). However, the Assigned Rights may only be utilized by Novi Campus, LLC in connection with Novi Campus, LLC's acquisition, construction and operation of the Fox Run Village Retirement Community located in Oakland County, Michigan.

Thank you for your attention in this matter.

Very truly yours,

Jeffrey A. Jacobson
Senior Vice President

Bank Of America - CD#13 - Control ID#1133

FOX RUN VILLAGE
DEVELOPMENT AGREEMENT

EXHIBIT J
DEVELOPMENT FEE SCHEDULE

The Development Fee shall be payable on a building by building basis, based on the percentage of units located in such building that have been subjected to a Settled Residence and Care Agreement. The Development Fee shall be payable in installments as follows:

1.	Upon 95% of units settled	50% of Development Fee payable for such building plus any unpaid portion of Development Fee Payable under Section 1 above.
2.	Upon 98% of units settled	Balance of Development Fee payable for such building.

Bank Of America - CD#13 - Control ID#1133

DEVELOPMENT AGREEMENT
[Novi Campus, LLC]

AGREEMENT, by and between Novi Campus, LLC, a Maryland limited liability company, whose address is 703 Maiden Choice Lane, Baltimore Maryland, Arbors Properties, LLC, whose address is 32000 Northwestern Highway, Suite 128, Farmington Hills, Michigan 48334, Norman Steel and Lawrence Steel, whose address is 32000 Northwestern Highway, Suite 128, Farmington Hills Michigan 482334(together referred to as "Owner"), and the City of Novi, 45175 West Ten Mile Road, Novi, MI 48375-3024 ("City").

RECITATIONS:

I. It is represented to the City by the Owner that the Owner owns all interests in the "Land" described on the attached and incorporated Property Description Exhibit.

II. For purposes of improving and using the Land for a retirement community, Owner has petitioned for an amendment of the Master Plan for Land Use so as to reclassify the Land from Single Family to Multiple Family, and for an amendment of the Zoning Ordinance, as amended, so as to reclassify the Land from RA, Residential Acreage, to RM-1, Low Density Multiple Residential, subject to and in accordance with the PD-1 Option. Owner has also petitioned for site plan approval and special land use approval so as to authorize development and use of the "site plan" attached and incorporated by this reference, including all conditions imposed in connection with the approval of the site plan and special land use. The Single Family classification under the Master Plan, and the RA classification under the Zoning Ordinance, shall together be referred to in this Agreement as the "**Existing classification**"; and, the Multiple Family classification under the Master Plan, the RM-1 classification under the Zoning Ordinance subject to and in accordance with the PD-1 Option, the approved site plan and the approved special land use, including all conditions imposed in connection with the approval of the site plan and special land use, shall together be referred to in this Agreement as the "**Proposed Classification and Use**".

III. The Proposed Classification and Use would provide the Owner with certain material development options not available under the existing classification, and would be a distinct and material benefit and advantage to the Owner.

02/12/2002 09:18 MILLER,CANFIELD,PADDOCK AND STON → 2#098#9141036189 61 NO.850 00

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IV. In proposing the Proposed Classification and Use to the City, Owner has expressed as a firm and unalterable intent that Owner will develop the Land in conformance with the following undertakings by Owner, as well as the following forbearances by the Owner (each and every one of such undertakings and forbearances shall together be referred to as the "Undertakings"):

A. Owner shall develop and use the Land solely for a retirement community as shown on the attached and incorporated site plan and accompanying approvals for the Proposed Classification and Use, as such Proposed Classification and Use is finally approved by the City Council, provided, such development and use shall be subject to and in accordance with each and every condition imposed in connection with the site plan, special land use, wetland permit and woodland permit, consistent with the City of Novi minutes of meetings at which such approvals were granted.

B. Owner shall forebear from developing and/or using the Land in any manner other than as approved as part of the Proposed Classification and Use, including the accompanying approvals.

C. Owner shall develop the Land in accordance with all applicable laws and regulations, and with all applicable ordinances, consistent with this Agreement.

D. Owner shall seek, obtain approval for, and use its best efforts in all respects to observe all soil erosion requirements and measures throughout the site during the construction of the development contemplated in the Proposed Classification and Use.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. If the Proposed Classification and Use is finalized and approved following entry into this Agreement:

   a. The Undertakings shall be carried out by Owner on and for the Land;

   b. Owner shall act in conformance with the Undertakings; and,

   c. The Owner shall forbear from acting in a manner inconsistent with the Undertakings.

2. Owner has not presented an issue as to whether it could develop the Land under its Existing classification with or without the Undertakings. The City has not required the Undertakings. The Undertakings have been voluntarily offered by Owner in order to provide an enhanced use and value of the Land, and to protect the public safety and welfare, and, to induce the City to rezone the Land to the

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Proposed zoning classification so as to provide m. .al advantages and development options for the Owner.

3. All of the Undertakings represent actions, improvements and/or forbearances that are directly beneficial to the Land and/or to the development of the Land. The burden of the Undertakings on the Owner is roughly proportionate to the burdens being created by the development, and to the benefit which will accrue to the Land as a result of the Undertakings.

4. In the event the Owner, or its respective successors, assigns and/or transferees proceed with a proposal for, or other pursuit of, development of the Land in a manner which is in material violation of the Undertakings, the City shall, following notice and a reasonable opportunity to cure, have the right and option to take action using the procedure prescribed by law for the amendment of the Master Plan and Zoning Ordinance applicable to the Land to amend the Master Plan and zoning classifications of the Land to some reasonable classification, and neither the Owner nor its respective successors, assigns and/or transferees, shall have any vested rights in the Proposed Classification and Use, and Owner shall be estopped from objecting to the rezoning to such reasonable classifications based upon the argument that such action represents a "downzoning" or based upon some other argument relating to the approval of the Proposed Classification and Use, provided, this provision shall not preclude Owner from otherwise challenging the reasonableness of such rezoning as applied to the Land.

5. By execution of this Agreement, Owner acknowledges that it has acted in consideration of the City approving the Proposed Classification and Use on the Land, and Owner agrees to be bound by the provisions of this Agreement.

6. After consulting with an attorney, the Owner understands and agrees that this Agreement is authorized by all applicable state and federal law and constitution, that it shall be estopped from taking a contrary position in the future, and that the City shall be entitled to injunctive relief to prohibit any actions by the Owner inconsistent with the terms of this Agreement.

8. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective heirs, successors, assigns and transferees, and an affidavit providing notice of this Agreement may be recorded by either party with the office of the Oakland County Register of Deeds.

9. This Agreement may be signed in counterparts.

[signatures on following pages]

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OWNER

WITNESSES:

NOVI CAMPUS, L.L.C.

Print Name: Wayne M. Rush

By: ERICKSON RETIREMENT COMMUNITIES, LLC
Its sole member

By David M. Destino

Print Name: Patricia K Garrett

STATE OF Maryland)
) ss.
COUNTY OF Baltimore)

On this 25 day of January, 2002, before me appeared David M Destino authorized representative of Erickson Retirement Communities, LLC, sole member of Novi Campus, L.L.C., who states that he has signed this document of his own free will on behalf of Novi Campus, L.L.C.

Notary Public

ARBORS PROPERTIES, LLC

WITNESS:

By Michael Zeid member
MICHAEL ZEID

Print Name: LARRY J. SPILKIN

Print Name:
NANCY A. MacLEAN

STATE OF MICHIGAN)
) ss.
COUNTY OF OAKLAND)

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On this 14th day of January, 2002, before me appeared Michael Zeid, authorized representative of Arbors Properties, LLC, who states that he has signed this document of his own free will on behalf of Owner.

Nancy A. MacLean
Notary Public

NANCY A. MACLEAN
Notary Public, Macomb County, MI
Acting in Oakland County, MI
My Commission Expires 08-22-2005

WITNESS:

Print Name: LARRY J. SPILKIN

Print Name: NANCY A. MacLEAN

Norman Steel
NORMAN STEEL

STATE OF MICHIGAN)
) ss.
COUNTY OF OAKLAND)

On this 16TH day of JAN., 2002, before me appeared Norman Steel, Owner, who states that he has signed this document of his own free will.

Nancy A. MacLean
Notary Public

NANCY A. MACLEAN
Notary Public, Macomb County, MI
Acting in Oakland County, MI
My Commission Expires 08-22-2005

WITNESS:

Print Name: LARRY J. SPILKIN

Print Name: NANCY A. MacLEAN

Lawrence Steel
LAWRENCE STEEL

STATE OF MICHIGAN)
) ss.
COUNTY OF OAKLAND)

On this 16TH day of JAN., 2002, before me appeared Lawrence Steel, Owner, who states that he has signed this document of his own free will.

Nancy A. MacLean
Notary Public

NANCY A. MACLEAN
Notary Public, Macomb County, MI
Acting in Oakland County, MI
My Commission Expires 08-22-2005

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[signatures on behalf of the City of Novi on the following page]

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WITNESSES:

CITY OF NOVI

Mary Ann Cabadas
Print Name: MARYANN CABADAS

By: Richard D Clark
RICHARD CLARK, MAYOR

By: Maryanne Cornelius
MARYANNE CORNELIUS,
CLERK

Nancy Reutter
Print Name: NANCY REUTTER

STATE OF MICHIGAN)
) ss.
COUNTY OF OAKLAND)

On this 7 day of February, 2002, before me appeared Richard Clark and Maryanne Cornelius, who stated that they had signed this document of her own free will on behalf of the City of Novi in their respective official capacities, as stated above.

MARY ANN CABADAS
Notary Public, Oakland County, MI
My Commission Expires Oct. 5, 2002

Mary Ann Cabadas
Notary Public

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